SYNERTONE

協同通信集團有限公司

Synertone Communication Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1613)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2023

The board (the "**Board**") of directors (the "**Directors**") of Synertone Communication Corporation (the "**Company**", together with its subsidiaries, the "**Group**") announces the consolidated results of the Group for the year ended 31 March 2023 together with the comparative figures for the corresponding period in 2022 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Notes	**2023** **HK$'000**	2022 HK$'000
Revenue	*4*	**60,538**	114,165
Cost of sales		**(51,590)**	(91,226)
Gross profit		**8,948**	22,939
Other income	*5*	**3,572**	6,269
Other gains, net	*5*	**1,800**	218
Selling and distribution expenses		**(2,206)**	(4,589)
Administrative and other operating expenses		**(36,847)**	(38,655)
Impairment of non-financial assets		**(821)**	(27,908)
Research and development expenditure		**(4,221)**	(3,978)
Allowance for expected credit loss, net		**(7,261)**	(62,939)
Loss from operations		**(37,036)**	(108,643)
Finance costs	*6(a)*	**(3,784)**	(4,157)
Share of results of associates		**(2,855)**	(928)
Loss before tax	*6*	**(43,675)**	(113,728)
Income tax expense	*7*	**(4)**	(45)
Loss for the year		**(43,679)**	(113,773)
Other comprehensive (loss)/income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(4,836)**	2,468
Other comprehensive (loss)/income for the year, net of tax		**(4,836)**	2,468
Total comprehensive loss for the year		**(48,515)**	(111,305)

	Note	2023 HK$'000	2022 HK$'000
Loss for the year attributable to:			
– Owners of the Company		**(40,971)**	(109,678)
– Non-controlling interests		**(2,708)**	(4,095)
		(43,679)	(113,773)
Total comprehensive loss attributable to:			
Owners of the Company		**(45,216)**	(107,423)
Non-controlling interests		**(3,299)**	(3,882)
		(48,515)	(111,305)
		HK cents	*HK cents* *(Restated)*
Loss per share			
– Basic and diluted	*9*	**(16.05)**	(45.73)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	2023 HK$'000	2022 HK$'000
Non-current assets			
Property, plant and equipment		**32,283**	43,432
Right-of-use assets		**12,828**	17,055
Goodwill		**23,375**	25,228
Interests in associates		**51,592**	54,737
Deposits and prepayments	*10*	**377**	2,073
		120,455	142,525
Current assets			
Inventories		**48,462**	55,293
Trade and other receivables	*10*	**39,475**	56,894
Amount due from an associate		**15,286**	8,731
Cash and cash equivalents		**2,345**	8,009
		105,568	128,927
Current liabilities			
Trade and other payables	*11*	**57,212**	43,809
Contract liabilities		**32,222**	40,730
Bank borrowings		**62,753**	72,337
Lease liabilities		**3,826**	6,172
		156,013	163,048
Net current liabilities		**(50,445)**	(34,121)
Total assets less current liabilities		**70,010**	108,404

	2023	2022
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**1,641**	2,969
Net assets	**68,369**	105,435
Equity		
Share capital	**26,031**	313,091
Reserves	**43,095**	(210,198)
Equity attributable to owners of the Company	**69,126**	102,893
Non-controlling interests	**(757)**	2,542
Total equity	**68,369**	105,435

Notes:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 11 October 2006 as an exempted company with limited liability. The addresses of the Company's registered office in the Cayman Islands and the principal place of business in Hong Kong are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1−1111, Cayman Islands and Room 1012, 10th Floor, Tsim Sha Tsui Centre, 66 Mody Road, Kowloon, Hong Kong respectively.

On 18 April 2012, the shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Group is principally engaged in (i) design, development and sales of automation control systems and solutions, (ii) design, research and development, manufacture and sales of intelligent systems including video intercom and surveillance systems for residential homes and buildings, and (iii) the rental, maintenance, other related services in relation to computer equipment and machines, information technology infrastructure, and advanced technologies such as robots.

The principal operations of the Group are conducted in the People's Republic of China (the "**PRC**" or "**China**"). Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the functional currency of the Company. For the convenience of the financial statements users, the consolidated financial statements are presented in HK$, as the Company's shares are listed on the Stock Exchange. These financial statements are presented in HK$, rounded to the nearest thousand except for per share data.

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

In preparing the consolidated financial statements of the Group, the Directors have given consideration to the future liquidity of the Group in light of its net loss of approximately HK$43,679,000 incurred for the year ended 31 March 2023 and, as at that date, the Group had net current liabilities of approximately HK$50,445,000.

In view of the above circumstances, the Directors have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity position and to improve the Group's financial position which include, but are not limited to, the following:

(i) the Group has taken measures to tighten cost control over expenses, manage and expedite receivables and negotiate a compromise with creditors with a view to achieving positive cash flow from operations;

(ii) the Company has completed placing of shares at consideration of HK$15,000,000 on 19 May 2023 and the Company has actively negotiated with stakeholders for the purpose of obtaining further financing when necessary, including but not limited to shareholder's loan, equity financing, bank borrowing and issuance of new convertible bonds to improve the liquidity of the Group;

(iii) the director of the Company, Mr. Han Weining, has stated that he is willing to provide financial support to the Group to enable the Group to continue as a going concern and to settle its liabilities as and when they fall due; and

(iv) the Group will look into business and investment opportunities for business expansion and capital injection in order to enhance the long-term growth potential of the Group.

The Directors have reviewed the Group's cash flow projections, The cash flow projections cover a period of not less than twelve months from 31 March 2023.

The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as they fall due within twelve months from the date of approval of the consolidated financial statements. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, since the execution of the above plans and measures are in progress, material uncertainties exist as to whether management of the Group will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows.

Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than at the amounts at which they are currently carried in the consolidated statement of financial position. The effect of these adjustments has not been reflected in the consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[3]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

1 Effective for annual periods beginning on or after 1 January 2023.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1 January 2024.

The Directors anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines. On adopting HKFRS 8, Operating Segments, and in a manner consistent with the way in which information is reported internally to the chief executive officer of the Company, who has been identified as the Group's chief operating decision maker ("**CODM**"), for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments.

Building Intelligence:	Provision of (i) video intercom system and security alarm solutions for residential complexes; and (ii) smart home automation systems for new and existing households.
Control System:	Provision of (i) automation hardware and software products, information systems platforms, as well as (ii) the industrial and monitoring and scheduling management system solutions for municipal utilities industry.
Data Centre:	Rental and maintenance services in relation to computer equipment and machines, information technology infrastructure and platform and robot and other related service.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources among segments, the Group's chief executive officer monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of corporate assets, interests in associates and amount due from an associate which are unallocated to an individual reportable segment. Segment liabilities include trade and other payables and contract liabilities attributable to the activities of the individual segments, bank borrowings and lease liabilities managed directly by the segments with the exception of corporate liabilities which are unallocated to an individual reportable segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment results is adjusted earnings or loss before interest and taxes ("**Adjusted EBIT**"). To arrive at the Adjusted EBIT, the Group's earnings or loss are further adjusted for interest income, impairment loss of non-financial assets and items not specifically attributed to an individual reportable segment, such as share of results of associates and unallocated corporate expenses.

In addition to receiving segment information concerning Adjusted EBIT, the Group's chief executive officer is provided with segment information concerning revenue (including inter-segment sales), interest income, finance costs, amortisation of intangible assets, depreciation of property, plant and equipment and right-of-use assets, allowance for expected credit loss, net, written-off of property, plant and equipment and intangible assets, research and development expenditure, reversal of provision for obsolete and slow-moving inventories, impairment of property, plant and equipment, share of results of associates and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Group's chief executive officer for the purpose for resource allocation and assessment of segment performance for the years ended 31 March 2023 and 2022 is as follows:

	2023				
	Building intelligence *HK$'000*	**Control system** *HK$'000*	**Data centre** *HK$'000*	**Unallocated** *HK$'000*	**Total** *HK$'000*
Revenue from external customers	**25,766**	**33,977**	**795**	**–**	**60,538**
Inter-segment revenue	**1,703**	**1,342**	**–**	**–**	**3,045**
Reportable segment revenue	**27,469**	**35,319**	**795**	**–**	**63,583**
Reportable segment loss (Adjusted EBIT)	**(13,734)**	**(2,384)**	**(3,516)**	**–**	**(19,634)**
Interest income	**1**	**12**	**–**	**177**	**190**
Finance costs	**(3,499)**	**(69)**	**(28)**	**(188)**	**(3,784)**
Depreciation of property, plant and equipment	**(2,119)**	**(225)**	**(2,007)**	**(321)**	**(4,672)**
Depreciation of right-of-use assets	**(581)**	**(507)**	**(572)**	**(4,508)**	**(6,168)**
Allowance for expected credit loss, net	**(4,257)**	**(1,248)**	**(594)**	**(1,162)**	**(7,261)**
Research and development expenditure	**(1,903)**	**(2,318)**	**–**	**–**	**(4,221)**
Written-off of property, plant and equipment	**(300)**	**–**	**–**	**–**	**(300)**
Impairment of property, plant and equipment	**(821)**	**–**	**–**	**–**	**(821)**
Share of results of associates	**–**	**–**	**–**	**(2,855)**	**(2,855)**
Reportable segment assets	**90,625**	**53,164**	**6,891**	**–**	**150,680**
Interests in associates	**–**	**–**	**–**	**51,592**	**51,592**
Addition to non-current segment assets					
– Property, plant and equipment	**–**	**18**	**205**	**–**	**223**
– Right-of-use assets	**–**	**557**	**2,140**	**–**	**2,697**
Reportable segment liabilities	**117,461**	**20,018**	**175**	**–**	**137,654**

	2022				
	Building intelligence	Control system	Data centre	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	60,373	47,337	6,455	–	114,165
Inter-segment revenue	2,787	2,154	–	–	4,941
Reportable segment revenue	63,160	49,491	6,455	–	119,106
Reportable segment (loss)/income (Adjusted EBIT)	(23,536)	(34,390)	1,685	–	(56,241)
Interest income	45	51	–	540	636
Finance costs	(3,806)	(23)	(37)	(291)	(4,157)
Amortisation of intangible assets	(10)	–	–	–	(10)
Depreciation of property, plant and equipment	(3,027)	(277)	(1,800)	(327)	(5,431)
Depreciation of right-of-use assets	(566)	(451)	(477)	(3,325)	(4,819)
Allowance for expected credit loss, net	(12,880)	(9,947)	(175)	(39,937)	(62,939)
Written-off of intangible assets	(24)	–	–	–	(24)
Impairment of goodwill	–	(27,908)	–	–	(27,908)
Research and development expenditure	(157)	(3,821)	–	–	(3,978)
Reversal of provision for obsolete and slow-moving inventories	277	–	–	–	277
Share of results of associates	–	–	–	(928)	(928)
Reportable segment assets	104,470	61,317	9,210	–	174,997
Interests in associates	–	–	–	54,737	54,737
Addition to non-current segment assets					
– Property, plant and equipment	5	15	9,841	841	10,702
– Right-of-use assets	525	1,526	1,144	4,049	7,244
Reportable segment liabilities	127,373	23,004	868	–	151,245

(b) Reconciliation of reportable segment revenues, profit or loss, assets and liabilities

	2023	2022
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**63,583**	119,106
Elimination of inter-segment revenue	**(3,045)**	(4,941)
Consolidated revenue	**60,538**	114,165
Loss		
Reportable segment loss	**(19,634)**	(56,241)
Allowance for expected credit loss, net	**(1,162)**	(39,937)
Interest income	**190**	636
Finance costs	**(3,784)**	(4,157)
Share of results of associates	**(2,855)**	(928)
Unallocated corporate expenses	**(16,430)**	(13,101)
Consolidated loss before tax	**(43,675)**	(113,728)
Assets		
Reportable segment assets	**150,680**	174,997
Interests in associates	**51,592**	54,737
Amount due from an associate	**15,286**	8,731
Unallocated corporate assets	**8,465**	32,987
Consolidated total assets	**226,023**	271,452
Liabilities		
Reportable segment liabilities	**137,654**	151,245
Unallocated corporate liabilities	**20,000**	14,772
Consolidated total liabilities	**157,654**	166,017

(c) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, goodwill, interests in associates and deposits and prepayments. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of property, plant and equipment and right-of-use assets is based on the physical location of the asset under consideration. In the case of goodwill and deposits and prepayments, it is based on the location of the operation to which they are allocated. In the case of interests in associates, it is the location of operations of such associates.

	Revenue from external customers		**Non-current assets**	
	2023	2022	**2023**	2022
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**795**	6,455	**11,172**	17,982
The PRC	**59,557**	107,217	**109,283**	124,543
Overseas	**186**	493	**–**	–
	60,538	114,165	**120,455**	142,525

(d) Information about products and services

The Group's revenue from external customers for each principal type of products and services were set out in note 4.

(e) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2023	2022
	HK$'000	*HK$'000*
Building intelligence		
– Customer A	**N/A***	34,109

* Revenue from the customer is less than 10% of the total revenue of the Group.

For the year ended 31 March 2023, no single customer contributed 10% or more to the Group's revenue.

4. REVENUE

Disaggregation of the Group's revenue from contracts with customers by major products and services:

	2023 *HK$'000*	2022 *HK$'000*
Building intelligence	**25,766**	60,373
Control system	**33,977**	47,337
Data centre	**371**	4,420
Total revenue from contract with customers	**60,114**	112,130
Add:		
Rental income under HKFRS 16	**424**	2,035
Total revenue	**60,538**	114,165

Revenue from building intelligence operation and control system operation recognised at a point in time when the customer obtains control of the goods.

Revenue from data centre operation recognised on over time when the service provided.

Disaggregation of the Group's revenue from contracts with customers by geographic markets is disclosed in note 3.

5. OTHER INCOME AND OTHER GAINS, NET

	2023 *HK$'000*	2022 *HK$'000*
Other income		
Interest income on bank deposits	**13**	96
Interest income on loan receivables	**177**	540
Government grants *(note a)*	**1,302**	562
Value-added taxes refund *(note b)*	**350**	1,641
Sundry income	**1,730**	3,430
	3,572	6,269
Other gains/(losses)		
Net exchange gain/(loss)	**49**	(35)
Gain on disposal of property, plant and equipment	**1,751**	–
Written-off intangible assets	**–**	(24)
Reversal of obsolete and slow-moving inventories	**–**	277
	1,800	218
	5,372	6,487

Notes:

(a) These government grants are unconditional government subsidies received by the Group from relevant government bodies for the purpose of giving incentive to "hi-tech enterprise".

(b) Value-added taxes refund is recognised when the acknowledgement of refund from the PRC Tax Bureau has been received.

6. LOSS BEFORE TAX

Loss before tax is arrived at after charging the following:

(a) Finance costs

	2023	2022
	HK$'000	*HK$'000*
Interest expense on bank borrowings	**3,467**	3,794
Finance charges on lease liabilities	**317**	363
	3,784	4,157

(b) Staff costs (including Directors' emoluments)

	2023	2022
	HK$'000	*HK$'000*
Salaries, wages and other benefits	**17,303**	19,119
Contributions to defined contribution retirement plans	**2,325**	3,390
	19,628	22,509

(c) Other items

	2023	2022
	HK$'000	*HK$'000*
Auditor's remuneration	**700**	700
Cost of inventories recognised as expenses	**50,893**	90,333
Amortisation of intangible assets	**–**	10
Depreciation of property, plant and equipment	**4,672**	5,431
Depreciation of right-of-use assets	**6,168**	4,819
Allowance for expected credit loss, net of:		
– Trade receivables	**6,255**	23,141
– Loan and other receivables	**510**	39,702
– Amount due from an associate	**496**	96
Written-off of property, plant and equipment	**300**	–
Impairment of non-financial assets:		
– Goodwill	**–**	27,908
– Property, plant and equipment	**821**	–
Expenses relating to short term lease	**150**	147
Research and development expenditure *(note (i))*	**4,221**	3,978

Note:

(i) Research and development expenditure for the year ended 31 March 2023 included HK$2,349,000 (2022: HK$3,002,000) relating to staff costs to which the amounts were also included in the respective total amounts disclosed separately in note 6(b).

7. INCOME TAX EXPENSE

	2023	2022
	HK$'000	*HK$'000*
Current tax		
PRC Enterprise Income Tax ("**EIT**")	**–**	11
Under-provision in respect of prior year		
PRC EIT	**4**	34
Income tax expense	**4**	45

8. DIVIDENDS

No dividend was paid or proposed for shareholders of the Company during each of the years ended 31 March 2023 and 2022, nor has any dividend been proposed since the end of the each reporting period.

9. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK$40,971,000 (2022: approximately HK$109,678,000) and the weighted average number of ordinary shares of the Company in issue during the year:

	2023	2022
	'000	*'000*
		(Restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**255,325**	239,816

The denominators used are the same as those detailed above for both basic and diluted loss per share.

On 22 December 2022, the Company implemented share consolidation and the weighted average number of ordinary shares in issue used in the basic loss per share calculation during the year ended 31 March 2022 was adjusted retrospectively.

No diluted loss per share is presented as there was no potential dilutive ordinary shares in issue during both years.

10. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023	2022
	HK$'000	*HK$'000*
Trade receivables *(notes (a), (b))*	**47,407**	47,086
Less: Loss allowance	**(23,605)**	(27,746)
	23,802	19,340
Bill receivables	**154**	493
Loan receivables	**21,318**	37,717
Other receivables	**23,596**	28,184
Prepaid value-added and other taxes	**118**	287
Deposits and prepayments	**12,119**	13,694
Less: Loss allowance	**(41,255)**	(40,748)
	16,050	39,627
	39,852	58,967
Reconciliation to the consolidated statement of financial position:		
Non-current	**377**	2,073
Current	**39,475**	56,894
	39,852	58,967

Notes:

(a) For the year ended 31 March 2023, purchases of the Group's products by its customers are in general made on credit with credit period of 30 to 180 days (2022: 30 to 180 days). A longer credit period of 181 to 365 days (2022: 181 to 365 days) may be extended to customers with long term business relationship, established reputation and good repayment history. The credit terms of each customer of the Group are determined by the Group's sales team and are subject to review and approval by the Group's management based on the customers' payment history, financial background, transaction volume and length of business relationship with the Group.

(b) The following is an aged analysis of trade receivables, presented based on past due date:

	2023	2022
	HK$'000	*HK$'000*
Not yet past due	**20,694**	11,996
1–60 days	**2,729**	2,284
61–90 days	**1,962**	1,586
91–180 days	**340**	992
181–365 days	**1,811**	5,038
Over 365 days	**19,871**	25,190
	47,407	47,086
Less: Loss allowance	**(23,605)**	(27,746)
	23,802	19,340

11. TRADE AND OTHER PAYABLES

	2023	2022
	HK$'000	*HK$'000*
Trade payables	**18,186**	8,306
Accrued salaries	**3,213**	1,545
Accrued expenses	**3,723**	1,588
Other payables	**26,923**	26,955
Deposit received	**4,416**	5,110
Financial liabilities measured at amortised cost	**56,461**	43,504
Other tax payables	**751**	305
	57,212	43,809

The following aged analysis of trade payables presented based on invoice date:

	2023	2022
	HK$'000	*HK$'000*
0–60 days	**2,208**	2,466
61–90 days	**8,692**	530
91–180 days	**2,474**	390
181–365 days	**1,244**	330
Over 365 days	**3,568**	4,590
	18,186	8,306

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to be consistent with the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is one of the leading providers of building and home intelligence products and integrated automation control systems and solutions. The Group's products are widely used in high-rise buildings, high-end residential complexes and smart communities by providing fully digital intelligent control systems for modern living. As one of the world's leading providers of automation control systems, the Group possesses leading standard of technical know-how and commercial competitiveness with which the products are extensively applied in diversified industries including electrical power, petrochemical, public utilities, mining, natural gas and food and beverage industries. The Group has its operation base in Jiaxing City, Zhejiang province of China and has established offices and sales network across major cities in China, including Beijing, Shanghai, Changsha and Hangzhou. Besides, the Group commenced its new data centre business in Hong Kong during the financial year ended 31 March 2022 ("**FY2022**" or the "**Prior Year**"), which involves the rental and maintenance services for computer equipment and machines located in Hong Kong.

During the financial year ended 31 March 2023 ("**FY2023**" or the "**Current Year**"), the Group's principal operations include (i) design, development and sales of automation control systems and solutions, (ii) design, research and development, manufacture and sales of intelligent systems including video intercom and surveillance systems for residential homes and buildings, and (iii) rental, maintenance, other related services in relation to computer equipment and machines, information technology infrastructure, and advanced technologies such as robots.

Control system operations

The Group's control system operations provide customers with automation control systems and solutions, which are widely used in various industries to monitor pressure, temperature, fluid levels and operating condition, including airport refill system and public utilities control. The Group has established a solid customer base ranging from sizeable listed corporations to governmental entities, municipal utilities (fresh water, sewage, gas and city lights) as well as power generation plants.

Attributable to the lockdown policy due to the coronavirus disease ("**COVID-19**") pandemic outbreak in China, the principal operation of our control system business, including the on-site technical support services for corporate projects, was seriously affected and suspended in the first half of FY2023. Such adverse impact was particularly obvious for those operations located in the Eastern China region centred around Shanghai. As a result, the external revenue recorded by the Group's control system segment dropped to HK$34.0 million for FY2023 (2022: HK$47.3 million). However, as no impairment loss of goodwill was recognised in the Current Year (2022: HK$27.9 million) and a decrease in the provision of expected credit loss of HK$1.2 million (2022: HK$9.9 million) was recorded by the control system segment for the Current Year, the segment operating loss for FY2023 decreased significantly to HK$2.4 million as compared to HK$34.4 million recorded for FY2022.

Building intelligence operations

The Group's building intelligence business mainly provides customers, which comprise major property developers or building systems integrators, with (i) video intercom system and security alarm solutions products for residential complexes; and (ii) smart home devices and systems for households. The production base is located at Jiaxing Science City in Zhejiang province of China, which has developed an efficient and unified manufacturing control process with ISO9001 certification and has been accredited high technology enterprise status with continuing new products and software developments.

During FY2023, the sales operation of the Group's "MOX" brand video intercom and surveillance system products has worsened with external revenue decreased from HK$60.4 million for the Prior Year to HK$25.8 million for the Current Year. Such decrease in revenue was mainly due to the lockdown in China since the second quarter until the third quarter of 2022, particularly in Shanghai and Eastern China regions where the principal production and operation of the Group's building intelligence operations were located, which led to the complete suspension on our production and operation for half of the year. Coupled with the impact of sustained downturn in the property sector, and the cost increment in the worldwide pricing of product components like integrated circuit chips, monitors and touch screens, the Group's building intelligence segment recorded an operating loss of HK$13.7 million for the Current Year (2022: HK$23.5 million). The decrease in segment loss for FY2023 was mainly due to the decrease in the provision of expected credit loss of HK$4.3 million recognised for its receivables as compared to HK$12.9 million recognised for FY2022.

Data centre operations

In FY2022, the Group developed and commenced its new data centre business in the provision of rental and maintenance services to customers in relation to computer equipment and machines, information technology infrastructure and platform and robots and other related services. The launch of the new business by the Group was for the purpose of better utilisation of the Group's financial resources and improving the Group's financial position and performance under the current unfavourable business environment. As at 31 March 2023, the capital expenditure by the Group for the data centre operations was approximately HK$10.0 million, comprising the acquisition of high-quality computer equipment and leasehold improvements for equipment warehouse of approximately HK$9.8 million and the acquisition of commercial service robots of approximately HK$0.2 million.

During the Current Year, the Group rented out high-quality computer equipment and provided related custody and maintenance services to a corporate customer located in Hong Kong with revenue of HK$0.6 million and the related rental and maintenance service contracts expired in May 2022 without further renewal. The resulting loss incurred was approximately HK$3.7 million which was mainly due to the recognition of related depreciation charge and overhead costs for the Current Year. In April 2022, the Group launched its new project on the commercial service robots rental business, which contributed a revenue of approximately HK$239,000 and related profit of approximately HK$200,000. Accordingly, the Group's data centre operations recorded an overall revenue of HK$0.8 million (2022: HK$6.5 million) and segment loss of HK$3.5 million (2022: profit of HK$1.7 million) for the Current Year.

Investment in associate engaging in the charging station leasing operations

In June 2020, the Company acquired 20% equity interests in an associate namely Iogo Workshop Investment Limited (together with its subsidiaries, the "**Iogo Workshop Group**") at a consideration of HK$56 million which, through its wholly-owned subsidiary 深圳市海豚共享科技有限公司 (literally translated as Shenzhen Dolphin Technology Company Limited), is principally engaged in the leasing and renting of charging stations for mobile devices and extended value-added services. As at 31 March 2023, the carrying value of Iogo Workshop Group in the Group's consolidated financial statements was approximately HK$51.6 million (2022: HK$54.7 million), representing approximately 22.8% (2022: 20.2%) of the Group's total assets value.

Owing to the COVID-19 pandemic, a number of provinces in China have experienced on-and-off lockdown during FY2023 which led to closure and suspension of operation of retail and catering business in China. As the operation points for leasing of the Iogo Workshop Group's mobile charging stations are principally located at retail outlets and restaurants in China, Iogo Workshop Group's leasing business was adversely affected. As such, the revenue of the Iogo Workshop Group dropped significantly to HK$0.2 million (2022: HK$0.8 million) and an operating loss of HK$14.3 million (2022: HK$4.6 million) was recorded for FY2023. Accordingly, the loss recognised by the Group as sharing of results of its associates for the Current Year was HK$2.9 million (2022: HK$0.9 million). As the pandemic situation in China improved and the strict restrictions and measures have been removed, the Group believed that the leasing and advertising activities of the Iogo Workshop Group in China will gradually improve in the long run.

Business prospects on the Group's principal operations

Due to the prolonged lockdown in China in the first half of FY2023, the production and principal operation of both our control system and building intelligence businesses, particularly for those operations located in Shanghai and Eastern China regions, were seriously affected and suspended. The Board expects that it will have a negative impact on the financial results and performance of both segments in the short-term future. However, as these principal operations are mainly on corporate project basis in relation to building intelligence solutions, control system and infrastructure and the business nature is not closely related to the pandemic, the Board believes that the operations and financial performance for both businesses will resume and improve gradually for the coming financial year ending 31 March 2024 due to the COVID-19 pandemic situation in China has become stable and the lockdown has been lifted by the Chinese government since the last quarter of FY2023.

Under the rapidly growing markets in the 5G technology, internet-of-things and the internet home technology in China currently, the Board believes that it would secure a sustainable and stable demand for our building intelligence products in the China market and therefore our building intelligence operations will remain competitive in the future. However, in view of the persistent segment loss recorded by the building intelligence business which was attributable to the finance costs and depreciation charge incurred, the Board is continuously considering and assessing any possible restructuring plan on the building intelligence business, including but not limited to asset disposal and business restructuring or disposal, with the aim to optimise its business return. Such plan is also reflected in our recent allotment of new shares of MOX Group Limited, the Company's subsidiary which is principally engaged in the building intelligence business, to a new investor in June 2023, details of which are disclosed in the announcement of the Company dated 23 June 2023. Also, the Group is currently considering to expand the market to overseas by leveraging our manufacturing and procurement capability, in the form of original design manufacturer (ODM) or business solutions and consultations in the areas of green energy, information technology and telecommunications. Should there be any further update or corporate actions as regard to such business restructuring or business expansion as mentioned above, Company will make further announcement(s) in respect thereof from time to time as required by the Listing Rules.

Regarding the data centre business, the Board is expected that it will maintain its currently ongoing business on the rental and maintenance service in relation to commercial service robots in the near future. However, the income generated by the data centre business would be maintained at a minimal level. The Company will keep monitoring the market condition and will consider to further develop or expand its data centre business again should there be any recovery on the data centre market.

On 13 June 2023, the Group entered into an agreement for the establishment and operation of a joint venture, which, through its wholly-owned subsidiary, has been operating a virtual asset trading platform ("**VATP**") in Hong Kong (for details, please refer to the announcement of the Company dated 13 June 2023). In view of the exponential growth in virtual asset-related activities in recent years, combined with the Hong Kong Government's policy initiative to develop Hong Kong into a leading global hub for web3 and virtual asset-related activities as well as recent changes to the regulatory landscape in Hong Kong which provide clearer regulated channels for Hong Kong investors to safely access virtual assets, the Board believes that the adoption of virtual assets in Hong Kong is at an inflection point and expects market demand for virtual asset-related products and services in Hong Kong to increase significantly over coming years from a diversified investor base. Therefore, the investment in the VATP business would enable the Group to seize and capitalise on emerging market opportunities and create new sources of revenue from the transformation of traditional financial markets. The joint venture intends to apply for the requisite licenses through its wholly-owned subsidiary to operate the VATP in Hong Kong and the Company will make announcement(s) for any updates in respect thereof as and when required by the Listing Rules.

Future fund raising and investment opportunities

The Company will continue to explore opportunities for new business and investments or mergers and acquisitions which can expand or diversify the Group's business and will bring long-term benefit to the Group. This intention is evidenced by the Group's recent investment and engagement in the VATP business in Hong Kong, of which the details were disclosed in the announcement of the Company dated 13 June 2023. For the purpose of financing the Group's current businesses or any potential investment or acquisitions in the future, the Company is also continuously seeking and assessing any potential fund-raising opportunities, which may include the issue of new shares or convertible securities of the Company or its subsidiaries. The Company will make announcement(s) in respect thereof as required by the Listing Rules should they materialise.

Money lending transactions of the Group

As at 31 March 2023, the Group had two outstanding loan receivables of nil net carrying amount with major terms as follows:

Key terms of loan receivables									
Borrowers	**Date**	**Principal amount** *HK$'000*	**Interest rate**	**Tenor**	**Collaterals**	**Outstanding amount as at 31 March 2023** *HK$'000*		**Loss allowance as at 31 March 2023** *HK$'000*	**Carrying amount as at 31 March 2023** *HK$'000*
Debtor 1	29 April 2020	13,000	8% per annum	One month	Mining inventory assets and personal guarantee	10,087	("**Receivable 1**")	(10,087)	–
Debtor 2	22 May 2020	13,000 (revolving facility maximum)	Interest free	Repayable upon demand	Factory production equipment and machinery	11,134	("**Receivable 2**")	(11,134)	–
						21,221		(21,221)	–

The loan transactions above were not in the ordinary course of business of the Group and all applicable size test percentage ratios under the Listing Rules were below 5%. The details of each of the borrowers, bases of impairment assessment on each of the loans, the reasons for granting of loans and how they met the Group's business strategies are disclosed below.

For Debtor 1

Debtor 1, a business acquaintance of the Group and a party independent of the Company and its connected person, was a corporate which engaged in the trading business and investment and was an active face masks trader with customers overseas in early 2020. In 2020, the Group discussed possible cooperation on face masks trading with Debtor 1, during which the Group reviewed Debtor 1's business plan and forecast with regard to the possible cooperation. In about April 2020, Debtor 1 asked the Group for a short-term working capital fund for its face masks trading business. Considering the outbreak of COVID-19 was still happening in most parts of the world and face masks were in high demand due to mandatory requirement to wear face masks in many countries, and the possible cooperation opportunity on face mask trading, the Group granted a short-term bridging loan of one-month tenor of HK$13 million to Debtor 1 on 29 April 2020 at an interest rate of 8% per annum. In view of the ongoing negotiation on potential cooperation, the loan had no collateral except a personal guarantee at the time of granting of loan. In July 2021, after the prolonged delay in repayment by Debtor 1, the Group further obtained inventory security over certain iron ore inventory located in Malaysia as additional collateral from Debtor 1. As at 31 March 2023, the outstanding amount including the accrued interest was approximately HK$10.1 million.

Upon the management's individual assessment, having considered that (i) despite there were some repayments made of totally HK$3 million so far, the Receivable 1 was past due and long outstanding without further significant repayment made, and (ii) the discussion and negotiation on the settlement arrangement with Debtor 1 were still in progress and no formal or legal binding settlement agreement was executed so far, accordingly, amid the uncertainty posed by the COVID-19 pandemic on the overall economic situation, the Group considered that it should adopt a more prudent and cautious approach by making specific provision for the full outstanding amount particularly for Debtor 1 of HK$10.1 million as its full recoverability was in doubt. As at the date hereof, the Group is still in the ongoing process of discussing and negotiating with Debtor 1 for a mutually agreed repayment schedule with an aim to recover the outstanding receivable amounts.

For Debtor 2

Debtor 2, a business acquaintance of the Group and a party independent of the Company and its connected person, was a corporate which engaged in the manufacturing of face masks with a production line located in their factory in Tsuen Wan, Hong Kong. The Group was interested in investment in the face masks factory and production lines operated by Debtor 2 either by ways of direct investment or as joint venture. In about April 2020, due to the rapid expansion and further capital investment by Debtor 2 in the face masks production line, Debtor 2 asked the Group for a revolving loan facility for the purpose of working capital needs of the face mask factory only. Under the revolving loan arrangement, the granting of working capital advances would be subject to the Group's discretion and be made by instalments upon Debtor 2's request based on its actual expenditure and capital need. Should a solid investment plan between the Group and Debtor 2 materialize, it was anticipated that the loan advance would become part of the consideration for investment by the Group in the face mask factory. At the time during which COVID-19 was at peak and face masks was in high demand, the Group believed that such potential investment opportunity would be profitable to the Group, therefore, after checking the available bank balance of owner of Debtor 2, the Group granted to Debtor 2 the revolving facility with maximum limit of HK$13 million on 22 May 2020.

As the face mask factory was still in its initial development and expansion stage and the revolving advances would be granted only by insignificant instalments on case-by-case basis, no collateral was obtained at the time of granting such facility as the initial loan amount was minimal. Also, there was no interest charged at the time of entering into the revolving loan facility as the Group was aiming to secure the potential investment opportunity and cooperation with Debtor 2 in the face mask manufacturing business. As the loan advance amount was getting larger, the Group subsequently requested Debtor 2 for asset security over its factory production equipment and machinery as collateral to protect the Group's interests. As at 31 March 2023, the outstanding amount of Receivable 2 was approximately HK$11.1 million.

Upon the management's individual assessment, having considered that (i) the delay in repayment by Debtor 2 as per agreed repayment schedule upon Group's repayment demand, (ii) the total repayments made by Debtor 2 so far were not significant enough, and (iii) the discussion and negotiation on the settlement arrangement with Debtor 2 were still in progress and no formal or legal binding settlement agreement was executed so far, accordingly, amid the uncertainty posed by the COVID-19 pandemic on the overall economic situation, the Group considered that it should adopt a more prudent and cautious approach by making specific provision for the full outstanding amount particularly for Debtor 2 of HK$11.1 million as its full recoverability was in doubt. As at the date hereof, the Group is still in the ongoing process of discussing and negotiating with Debtor 2 for a mutually agreed repayment schedule with an aim to recover the outstanding receivable amounts as soon as possible.

Internal control policy and credit worthiness assessments before granting of loans

In order to minimise the credit risks and default risks associated with loan and other receivables, the Company has maintained an internal control policy and conducted credit assessment before entering into the transactions, even though money lending is not the ordinary business of the Group.

When potential borrowers approach the Company for a request on loan financing, borrower identification procedures will take place where the Company would require information and documents from the potential borrowers, including copies of identity card or passport for individual borrowers; and for corporate borrowers, the corporate documents including, where applicable, the certificate of incorporation, business registration certificate, registers of members and directors, articles of association, certificate of incumbency and/or certificate of good standing.

Loan transactions are not in the ordinary course of business of the Company in general. The Company is not registered as a money lender and therefore, does not have access to the credit check system in Hong Kong. However, the Company did conduct credit assessment using information and resources available to it. The Group has maintained strict credit assessment procedures to verify the credit worthiness of the borrowers, such as obtaining bank and security statements, income proof, property proof, their audited financial statements and/or the latest management account (if applicable) and conducting different searches such as bankruptcy or winding up search, land search and litigation search to ascertain if the borrowers have any prior legal cases in the past, which may cast doubt on credit worthiness and repayment ability. Since each loan is different and unique, the Group does not have any specific quantitative conditions or criteria imposed for approving each loan. Approvals on application for loans are decided on a case-by-case basis.

The existing borrowers are business partners or business acquaintances of the Company. In view of that, the Company already has certain understanding of the creditability and financial situation of the borrowers. In respect of business partners, the Company would ask for and review their business plan, budget and/or forecast; and would only enter into the loan transactions if the Company believes that the business plan is solid. In respect of business acquaintances, the Company would ask for assets list of borrowers and/or previous business records of borrowers before entering into the loan transaction.

As with the credit assessment of borrowers, guarantors who provide personal/corporate guarantee in favour of a loan are also required to meet the same basic eligibility and approval criteria, and will be required to go through the same verification and approval procedures.

In determining the terms of the loans, the Company will take into consideration factors such as the credit risks of the borrowers, their recoverability, the prevalent market interest rates and potential business relationship and cooperation in terms of benefit to the Group as a whole. Typically, higher interest rates will be charged for unsecured loans to justify the higher credit risk. In order to lower the Company's risk exposure, the requirement of security, personal or corporate guarantee would be taken into account before the Company would grant a loan.

The Company did not usually obtain collaterals from the borrowers which are either business partners or business acquaintances which have connections or business dealings with the Company because at the time of entering into the loan transactions, the Company was of the view that continuing relationship and business dealings with the borrowers would be sufficient to secure repayment of the loans and in certain cases, the Company has obtained the personal guarantee from the borrower as collateral.

The Group will also perform size test and connected transaction test for each of the loan transactions in order to have each loan transaction complying with the applicable rules and regulations under the Listing Rules.

After credit assessment, size test and connected transaction test and review of the loan applications by the relevant teams, loan documents will be prepared and the loans will be recommended to the Director for final approval.

Apart from the loan approval procedures, the Group has also established internal control measures to control its credit risk and manage its credit operations, which include regular analysing and reviewing of the Group's loan portfolio and compliance matters and monitoring of loan and interest repayment continuously and following up closely with its borrowers as to the deadlines in payment of interests or loans. The Group has also implemented debt recovery procedures to provide an orderly and established system for monitoring and recovering any late payment or default in payment of the customers. In cases of default and/or delinquent loans, the recovery procedure will commence and the Company will send reminder letters or emails to the borrowers for repayment. The Company will also arrange negotiations with the borrowers for a mutually agreed repayment schedule. The Company may also engage lawyers in advising on the actions to be taken to recover loans.

Actions taken to recover outstanding loan receivables

Regarding the recovery of the outstanding loan receivables, the Company has continuously issued demand letters or emails and regularly sent reminder messages through communication apps to respective debtors and has sought legal advice on possible actions can be taken by the Company. When the Company noticed the missing payments from the borrowers, in particular, the ones with larger amounts outstanding, the Company immediately took steps to ask for collaterals such as personal guarantees and pledges on assets from the borrowers. Also, the Company has been in constant contact with the borrowers to have updates as to their financial situation and the status of the collaterals.

Moreover, the Company has been continuously negotiating with the debtors for a mutually agreed repayment schedule and should such negotiation be smooth, the Company shall enter into a legally binding settlement agreement once the repayment schedule is agreed with an aim to fully recover the outstanding receivables from the debtors.

The Company will continuously monitor the repayment situation of those debtors and if necessary, the Company will seek further legal advice or will take legal actions against the debtors to recover the outstanding debts.

FINANCIAL REVIEW

Revenue

The Group recorded a revenue of approximately HK$60.5 million for the Current Year, representing a decrease of approximately HK$53.7 million or 47.0% as compared to the revenue of approximately HK$114.2 million for the Prior Year.

During the Current Year, the Group derived its revenue from the control system, the building intelligence and the data centre businesses. The following table sets forth a breakdown of revenue by business segments for the years presented:

	2023		2022	
	HK$'000	***%***	*HK$'000*	*%*
Building intelligence	**25,766**	**42.6**	60,373	52.9
Control system	**33,977**	**56.1**	47,337	41.5
Data centre	**795**	**1.3**	6,455	5.6
	60,538	**100.0**	114,165	100.0

The decrease in the Group's revenue for the Current Year was mainly attributable to the lockdown in China in the first half of FY2023 due to the COVID-19 pandemic outbreak, which led to the suspension of the production activities and principal operation for both of our control system and building intelligence businesses, particularly for our principal operations which were located in the Eastern China region like Shanghai and Jiaxing.

Cost of sales

Cost of sales of the Group consists of costs of raw materials, labour costs and manufacturing overheads. It decreased by approximately HK$39.6 million or 43.4% from approximately HK$91.2 million for FY2022 to approximately HK$51.6 million for FY2023, which is in line with the decrease in sales for the Current Year.

Gross profit and gross profit margin

The Group's gross profit for FY2023 was approximately HK$8.9 million, representing a decrease of approximately HK$14.0 million or 61.1% from approximately HK$22.9 million for FY2022, which is in line with the decrease in sales for the Current Year. The gross profit margin for FY2023 also decreased to 14.8% as compared to 20.1% for FY2022, which was mainly due to the comparatively higher fixed costs incurred due to lockdown in China and the cost increment caused by the overall surge in the worldwide pricing for its product components like integrated circuit chips, monitors and touch screens during the Current Year.

Other income

The Group's other income represents, among others, interest income, government grants and value-added taxes refund. The other income for the Current Year decreased to HK$3.6 million (2022: HK$6.3 million) mainly due to the reduced value-added tax refunded for the Current Year.

Net other gains

The Group recorded increased net other gains of HK$1.8 million (2022: HK$0.2 million) for FY2023 mainly due to a one-off gain of HK$1.8 million (2022: Nil) was recognised in relation to a disposal of office premise property situated in China at a consideration of RMB4.5 million in the Current Year.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately HK$2.4 million or 52.2% from approximately HK$4.6 million for the Prior Year to approximately HK$2.2 million for the Current Year, which is in line with the decrease in sales for the Current Year.

Administrative and other operating expenses

The administrative and other operating expenses of the Group, which mainly represent the staff costs, depreciation of property, plant and equipment and right-of-use assets and legal and professional fees, amounted to approximately HK$36.8 million for FY2023, which was at a similar level as approximately HK$38.7 million for FY2022.

Impairment of goodwill recognised for FY2022

In FY2022, the impairment loss of the Group's goodwill, which is included in "impairment of non-financial assets" in the consolidated statement of profit or loss, was attributable to the Group's control system cash generating unit. The recoverable amount of the cash generating unit is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period and a long-term average growth rate.

Due to the uncertainty of the COVID-19 pandemic during FY2022 on the future performance and cash flow of the control system business, the Company considered to adopt a more prudent and cautious approach towards the long-term growth rate applied on the five-year cash flow projections. As a result, based on management's assessment and by reference to the assessment performed by an independent appraisal firm, the Group recognised an impairment loss of approximately HK$27.9 million for FY2022 for the goodwill attributable to the control system cash generating unit, as the carrying amounts of those assets related to such cash generating unit exceeded their respective recoverable amounts as at 31 March 2022. No impairment loss was recognised for goodwill for FY2023.

Allowance for expected credit loss, net

During the Current Year, the Group recorded a net allowance for expected credit loss of HK$7.3 million in relation to its trade receivables, loan and other receivables and amount due from an associate, as compared to HK$62.9 million for the Prior Year which includes a specific provision of HK$23.1 million fully provided for receivables under the Group's individual assessment on its customers and debtors with long outstanding history. In the Prior Year, the Board considered that due to the uncertainty of the COVID-19 pandemic on the overall economic situation in China, the Group should adopt a more prudent and cautious approach towards the recoverability of its long outstanding receivables, particularly for those overdue for over one year without repayment and therefore specific provision was made for those receivables in the Prior Year.

As at 31 March 2023, the Group's trade receivables amounted to HK$47.4 million (2022: HK$47.1 million) and the loan and other receivables amounted to HK$44.9 million (2022: HK$65.9 million), out of which amounts of HK$23.6 million (2022: HK$27.7 million) and HK$41.3 million (2022: HK$40.7 million) were considered impaired for each of the trade receivables and the loan and other receivables respectively. Apart from the specific full provision made according to the Group's individual assessment on long outstanding receivables as disclosed in the previous paragraph, the remaining receivables were assessed based on an expected credit loss model. For the purpose of assessment of expected credit loss, expected loss rates were estimated based on historical observed default rates over the expected life of the debtors and were adjusted for forward looking information that was available without undue costs or effort.

Finance costs

The finance costs of the Group was approximately HK$3.8 million for FY2023, mainly represent interest expense on bank borrowings. The decrease in finance costs of approximately HK$0.4 million or 9.5% from approximately HK$4.2 million for FY2022 was due to the decrease in average balance of bank borrowings of the Group during FY2023.

Loss for the year

The loss attributable to owners of the Company decreased significantly by approximately HK$68.7 million or 62.6% from approximately HK$109.7 million for the Prior Year to approximately HK$41.0 million for the Current Year, which was mainly attributable to the decrease in expected credit loss for the Group's receivables recognised for the Current Year of approximately HK$7.3 million as compared to HK$62.9 million provided for the Prior Year, and no impairment loss on the Group's goodwill (2022: HK$27.9 million) was recognised in the Current Year.

Capital structure, liquidity and financial resources

The liquidity requirements arise principally from the need for working capital to finance its operations and expansions. The Group has been meeting its working capital and other capital requirements principally from cash generated from its operations, bank borrowings and capital contributions by shareholders of the Company (the "**Shareholders**"). In the long term, the operation of the Group will be funded by internally generated cash flow and, if necessary, additional equity financing and bank borrowings. As at 31 March 2023, the issued share capital of the Company was approximately HK$26.0 million (2022: HK$313.1 million), comprising 260,312,640 shares (the "**Shares**") of the Company (2022: 1,252,363,200 Shares) of nominal value of HK$0.10 each (2022: HK$0.25 each).

On 16 November 2022, the Company conducted the capital reorganisation (the "**Capital Reorganisation**"), involving (i) the share consolidation (the "**Share Consolidation**") whereby every five issued and unissued Shares of HK$0.25 each will be consolidated into one consolidated share (the "**Consolidated Share**") of HK$1.25 each; (ii) the capital reduction (the "**Capital Reduction**") whereby the par value of each issued Consolidated Share will be reduced from HK$1.25 to HK$0.10 by cancelling the paid up share capital to the extent of HK$1.15 per issued Consolidated Share so that following such reduction, each issued Consolidated Share in the share capital of the Company shall become one new share (the "**New Share**") with a par value of HK$0.10 each; and (iii) the sub-division (the "**Sub-division**"), immediately following the Share Consolidation and the Capital Reduction becoming effective, whereby each authorised but unissued Consolidated Share will be sub-divided into 12.5 New Shares with a par value of HK$0.10 each. It was further proposed that (i) the board lot size for trading in the Shares on the Stock Exchange would be changed from 3,200 Shares to 6,400 Consolidated Shares conditional upon the Share Consolidation becoming effective, and (ii) the credit arising from the Capital Reduction would be applied towards offsetting the Company's accumulated losses upon the Capital Reduction becoming effective.

The Share Consolidation became effective on 22 December 2022 upon the passing of resolutions by the Shareholders at an extraordinary general meeting of the Company held on 20 December 2022. The Capital Reduction and the Sub-division became effective on 9 March 2023 upon, among others, the further obtaining of a court order by the Company made by the Grand Court of the Cayman Islands confirming the Capital Reduction. For details of the Capital Reorganisation and the proposed change in board lot size, please refer to the announcements of the Company dated 16 November 2022, 20 December 2022, 27 January 2023 and 9 March 2023 respectively, and the circular of the Company dated 2 December 2022.

In the Prior Year, on 13 January 2022, the Company entered into a placing agreement (the "**2022 First Placing Agreement**") with Silverbricks Securities Company Limited (the "**2022 Placing Agent**"), pursuant to which the Company conditionally agreed to place, through the 2022 Placing Agent on a best effort basis, up to 58,000,000 placing shares of the Company of nominal value of HK$0.25 each (the "**2022 First Placing Share(s)**") at the price (the "**2022 First Placing Price**") of HK$0.25 per 2022 First Placing Share to not less than six independent placees (the "**2022 First Placing**"). The 2022 First Placing Price represented a premium of approximately 32.98% to the closing price of HK$0.188 per Share as quoted on the Stock Exchange on 13 January 2022, being the date of the 2022 First Placing Agreement. The Board considered that the 2022 First Placing would strengthen the Group's financial position, broaden the Company's shareholder base and would provide financial flexibility to the Company should any investment opportunity arise and for the expansion of the existing business, particularly under the unfavourable COVID-19 pandemic situation. Accordingly, the Directors were of the view that the 2022 First Placing was in the interests of the Company and the Shareholders as a whole.

The completion of the 2022 First Placing took place on 25 January 2022 and an aggregate of 58,000,000 2022 First Placing Shares were issued and allotted by the Company to not less than six independent placees who were corporate or individual investors for cash at the 2022 First Placing Price of HK$0.25 per 2022 First Placing Share, representing approximately 4.63% of the then issued share capital of the Company as enlarged by the allotment and issue of the 2022 First Placing Shares immediately upon completion of the 2022 First Placing. The aggregate nominal value of the 2022 First Placing Shares issued and allotted pursuant to the 2022 First Placing was HK$14.5 million. The net proceeds from the 2022 First Placing, after deduction of expenses related to the 2022 First Placing, amounted to approximately HK$14.2 million, representing a net price of approximately HK$0.245 per 2022 First Placing Share, which were intended to be used as the Group's general working capital and/or for future investments of the Group as and when the opportunities arise.

As at 31 March 2022, the net proceeds from the 2022 First Placing of approximately HK$10.1 million were utilised during the Prior Year as intended for the Group's general working capital and for investment opportunities of the Group with details disclosed in the 2022 annual report of the Company. The remaining net proceeds of approximately HK$4.1 million were fully utilised during the Current Year as intended for the Group's general working capital and for investment opportunities of the Group as previously disclosed with details as follows:

Description of use of proceeds	**Amount** *(in HK$ million)*
Rental expenses and management fee	0.7
Staff salaries and pension contribution	0.7
Advance to an associate	0.6
Net increase in loan and other receivables	1.3
Other administrative and operating uses	0.8
Total	4.1

In the Current Year, on 22 September 2022, the Company entered into another placing agreement (the "**2022 Second Placing Agreement**") with the 2022 Placing Agent, pursuant to which the Company conditionally agreed to place, through the 2022 Placing Agent on a best effort basis, up to 49,200,000 placing shares of the Company of nominal value of HK$0.25 each (the "**2022 Second Placing Share(s)**") at the price (the "**2022 Second Placing Price**") of HK$0.25 per 2022 Second Placing Share to independent placee(s) (the "**2022 Second Placing**"). The 2022 Second Placing Price represented a premium of approximately 72.41% to the closing price of HK$0.145 per Share as quoted on the Stock Exchange on 22 September 2022, being the date of the 2022 Second Placing Agreement. The Board considered that the 2022 Second Placing would strengthen the Group's financial position, broaden the Company's shareholder base and would provide financial flexibility to the Company should any investment opportunity arise and for the expansion of the existing business, particularly under the unfavourable COVID-19 pandemic situation. Accordingly, the Directors were of the view that the 2022 Second Placing was in the interests of the Company and the Shareholders as a whole.

The completion of the 2022 Second Placing took place on 3 October 2022 and an aggregate of 49,200,000 2022 Second Placing Shares were issued and allotted by the Company to an independent placee, namely Ms. Li Chung Man who was an individual investor and an independent third party, for cash at the 2022 Second Placing Price of HK$0.25 per 2022 Second Placing Share, representing approximately 3.78% of the issued share capital of the Company as enlarged by the allotment and issue of the 2022 Second Placing Shares immediately upon completion of the 2022 Second Placing. The aggregate nominal value of the 2022 Second Placing Shares issued and allotted pursuant to the 2022 Second Placing was HK$12.3 million. The net proceeds from the 2022 Second Placing, after deduction of expenses related to the 2022 Second Placing, amounted to approximately HK$12.1 million, representing a net price of approximately HK$0.246 per 2022 Second Placing Share, which were intended to be used as the Group's general working capital and/or for future investments of the Group as and when the opportunities arise. As at 31 March 2023, the net proceeds from the 2022 Second Placing of approximately HK$12.1 million were fully utilised during the Current Year as intended for the Group's general working capital and for investment opportunities of the Group as previously disclosed with details as follows:

Description of use of proceeds	**Amount** *(in HK$ million)*
Staff salaries and pension contribution	2.2
Rental expenses and management fee	1.5
Legal and professional fees	0.4
Advance to an associate	3.7
Other general working capital of the Group	4.3
Total	12.1

The current ratio of the Group, calculated by dividing the current assets by the current liabilities, as at 31 March 2023 was approximately 0.7 (2022: approximately 0.8). Gearing ratio calculated by total borrowings (comprising bank borrowings and lease liabilities) net of cash and cash equivalents, over total equity as at 31 March 2023 was 96% (2022: 70%).

Bank borrowings

As at 31 March 2023, the Group had outstanding bank borrowings of approximately HK$62.8 million (2022: approximately HK$72.3 million).

Pledge of assets

As at 31 March 2023, the Group had land use rights and property, plant and equipment in aggregate carrying value of approximately HK$32.4 million (2022: approximately HK$40.6 million) pledged against bank borrowings raised by the Group.

Contingent liabilities

As at 31 March 2023, the Group had no material contingent liabilities.

Major acquisition and disposal

The Group had no other major acquisition or disposal transactions during the year ended 31 March 2023.

Significant capital expenditure for the year

Save as disclosed elsewhere in this announcement, the Group had no significant capital expenditure commitments as at 31 March 2023.

Risk of foreign exchange fluctuations

Substantially all transactions of the Group are denominated in Renminbi ("**RMB**") and HK$ and most of the bank deposits are denominated in RMB and HK$ to minimise foreign exchange exposure. Despite the fluctuation of the exchange rates of RMB against HK$ during the Current Year, the Directors expect that any fluctuation of RMB's exchange rate will not have material adverse effect on the operation of the Group. Therefore, the Group had not implemented any formal hedging or other alternative policies to deal with such exposure as at 31 March 2023.

Employee and remuneration policy

As at 31 March 2023, the Group had 115 (2022: 123) employees. For the year ended 31 March 2023, the staff costs of the Group amounted to approximately HK$19.6 million, representing a decrease of approximately HK$2.9 million or 12.9% as compared to approximately HK$22.5 million for the corresponding period last year, mainly due to the decrease in number of the Group's employees during the Current Year.

The Group's employee remuneration policy is determined based on a number of factors such as individual performance, experience and prevailing industry practices. Compensation policies and packages of employees are being reviewed on an annual basis. In addition to basic salary, performance related remuneration such as bonus may also be awarded to employees based on internal performance evaluation. The emoluments of the Directors are reviewed at least annually and recommended by the remuneration committee of the Company (the "**Remuneration Committee**"), and decided by the Board, as authorised by the Shareholders at the annual general meeting, in accordance with the Group's operating results, individual performance and comparable market statistics. As the Company's previous share option scheme lapsed upon its expiry on 22 March 2022, the Company adopted a new share option scheme on 2 September 2022 and eligible participants of which may be granted the share options to subscribe for the Shares in order to enable the Company to grant options to its employees, executives or officers who are contributing to the Group as their incentives and rewards. As at 31 March 2023, no share options were outstanding under any share option schemes of the Company.

The Group has been committing resources in continuing education and training programmes for management staff and other employees in order to upgrade their skills and knowledge. These training courses include internal courses run by the management of the Group and external courses provided by professional trainers. They range from technical training for production staff to financial and administrative trainings for management staff.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

1. Placing of new shares under the general mandate

On 3 May 2023, the Company entered into a placing agreement (the "**2023 Placing Agreement**") with Sinomax Securities Limited (the "**2023 Placing Agent**"), pursuant to which the Company conditionally agreed to place, through the 2023 Placing Agent on a best effort basis, up to 40,000,000 placing shares of the Company of nominal value of HK$0.10 each (the "**2023 Placing Shares**") at the price (the "**2023 Placing Price**") of HK$0.375 per 2023 Placing Share to not less than six independent placees (the "**2023 Placing**"). The 2023 Placing Price represented a discount of approximately 14.77% to the closing price of HK$0.44 per Share as quoted on the Stock Exchange on 3 May 2023, being the date of the 2023 Placing Agreement. The Board considered that the 2023 Placing would strengthen the Group's financial position, broaden the Company's shareholder base and would provide financial flexibility to the Company should any investment opportunity arise and for the expansion of the existing business, particularly under the prevailing high interest rate environment. Accordingly, the Directors were of the view that the 2023 Placing was in the interests of the Company and the Shareholders as a whole.

The completion of the 2023 Placing took place on 19 May 2023 and an aggregate of 40,000,000 2023 Placing Shares were issued and allotted by the Company to not less than six independent placees who were individual investors for cash at the 2023 Placing Price of HK$0.375 per 2023 Placing Share, representing approximately 13.32% of the issued share capital of the Company as enlarged by the allotment and issue of the 2023 Placing Shares immediately upon completion of the 2023 Placing. The aggregate nominal value of the 2023 Placing Shares issued and allotted pursuant to the 2023 Placing was HK$4 million. The net proceeds from the 2023 Placing, after deduction of expenses related to the 2023 Placing, amounted to approximately HK$14.7 million, representing a net price of approximately HK$0.3675 per 2023 Placing Share, which were intended to be used as the Group's general working capital and/or for future investments of the Group as and when the opportunities arise. For further details, please refer to the announcements of the Company dated 3 May 2023 and 19 May 2023, respectively.

2. Appointment of Executive Director and Co-Chief Executive Officer and Independent Non-Executive Director

On 19 May 2023, (1) Mr. Chong Alex Tin Yam ("**Mr. Chong**") has been appointed as the executive Director and the co-chief executive officer of the Company; and (2) Mr. Cheng Nicholas Tat Hei ("**Mr. Cheng**") has been appointed as the independent non-executive Director. Both Mr. Chong and Mr. Cheng are subject to retirement at the next annual general meeting of the Company, upon which each of them would be eligible for re-election.

3. Engagement in virtual asset-related activities

On 13 June 2023, Radio World Holding Limited (a direct wholly-owned subsidiary of the Company) ("**Radio World**") entered into a subscription and shareholders agreement with JPEX Holdings Limited ("**JPEX**"), Fung Wong International Group Holdings Limited ("**Fung Wong**") and Jade Power Lab Technology Group Limited ("**Jade Power**") in relation to a joint venture in Jade Power for the operation of the VATP. Radio World, JPEX and Fung Wong would hold 51%, 25% and 24% (among which 10% would be held on trust by Fung Wong for the purpose of future grant to key personnel as long-term incentives for contributing to Jade Power and the Operator (as defined below)) of Jade Power's issued shares, respectively. Radio World would pay its subscription amount to Jade Power fully in cash, whilst JPEX would provide technology services to Jade Power in satisfaction of all of its subscription amount and Fung Wong would provide consultancy and advisory services to Jade Power in satisfaction of all of its subscription amount.

The sole business of Jade Power initially would be to operate a VATP in Hong Kong. The VATP would be operated by a direct wholly-owned subsidiary of Jade Power (the "**Operator**") which had been operating in Hong Kong since May 2023. The Operator intended to apply to the Securities and Futures Commission of Hong Kong for the requisite licenses to operate the VATP in Hong Kong.

In view of the exponential growth in virtual asset-related activities in recent years, combined with the Hong Kong Government's policy initiative to develop Hong Kong into a leading global hub for web3 and virtual asset-related activities as well as recent changes to the regulatory landscape in Hong Kong which provide clearer regulated channels for Hong Kong investors to safely access virtual assets, the Group believes that the adoption of virtual assets in Hong Kong is at an inflection point and expects market demand for virtual asset-related products and services in Hong Kong to increase significantly over coming years from a diversified investor base. Therefore, the Board believed that expanding the Group's business operations to include virtual asset-related activities would enable the Group to capitalize on emerging market opportunities and create new sources of revenue from the transformation of traditional financial markets. For further details, please refer to the announcement of the Company dated 13 June 2023.

4. Investment in MOX Group Limited by a subscriber under a share subscription agreement

On 23 June 2023, MOX Group Limited ("**MOX**") (an indirect 85%-owned subsidiary of the Company), as issuer, entered into a subscription agreement (the "**MOX Subscription Agreement**") with Hong Kong Haoxuan Co., Limited (the "**Subscriber**"), as subscriber, and Zhang Pangfei, as guarantor, pursuant to which the Subscriber had agreed to subscribe for, and MOX had agreed to allot and issue to the Subscriber 25,000 new subscription shares of MOX (the "**Subscription Shares**"), representing approximately 33.33% of the issued share capital of MOX as enlarged by the allotment and issue of the Subscription Shares, at the aggregate subscription price of RMB25,000,000 (the "**MOX Subscription**"). The net proceeds arising from the MOX Subscription would be used for general working capital and repayment of borrowings of a MOX's subsidiary.

MOX and its subsidiaries (the "**MOX Group**") are principally engaged in the Group's building intelligence business. Immediately following the completion of the MOX Subscription, the effective interests in MOX by the Group will become approximately 56.67% and MOX will remain as an indirect non-wholly owned subsidiary of the Company. As recent financial performance of the Group's building intelligence business was unfavourable, the Board considered that the MOX Subscription would enhance the financial position of MOX and support the Group's building intelligence business by providing an additional source of funding to the MOX Group. It also represented a good opportunity to broaden MOX's shareholder base and capital base and could demonstrate a positive prospect of the Group's building intelligence business which might further attract potential investments in MOX and/or in the Group. As at the date hereof, the MOX Subscription has not yet completed and the completion is expected to take place on 24 July 2023 pursuant to the MOX Subscription Agreement. For further details, please refer to the announcement of the Company dated 23 June 2023.

Save as disclosed above, there were no other significant events that have occurred subsequent to the end of the reporting period and up to the date of this announcement.

DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 March 2023.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on Wednesday, 30 August 2023 ("**2023 AGM**"), the register of members of the Company will be closed from Friday, 25 August 2023 to Wednesday, 30 August 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2023 AGM, all transfer of Shares accompanied by the relevant share certificate(s) must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Thursday, 24 August 2023.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the year ended 31 March 2023.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules. The Board considers that the Company was in compliance with all the applicable code provisions as set out in the CG Code during the year ended 31 March 2023 apart from code provisions C.2 and F.2.2 as disclosed below.

Code provisions under C.2 of the CG Code

Under code provision C.2 of the CG Code, there should be two key aspects on the management of the Company, being the management of the Board and the day-to-day management of the Group's business. There should be a clear division of these responsibilities to ensure a balance of power and authority, so that power is not concentrated in any one individual.

Under the current structure and functions of the Board, the role of chairman should be responsible for the management and leadership of the Board while the role of chief executive officer should be responsible for the day-to-day management of the Group's business. However, the position of the chairman of the Board has been vacant since 3 January 2020, and hence the Company did not comply with code provisions under C.2 of the CG Code during the year ended 31 March 2023.

Currently, the roles and functions of the chairman, including the coordination and communication of the Board, are performed collectively by the Board members themselves. The Company is from time to time identifying the suitable candidates who possess suitable leadership, knowledge, skills and experience to fill the vacancy of chairman of the Board.

Code provision F.2.2 of the CG Code

Under code provision F.2.2 of the CG Code, the chairman of the Board should attend the annual general meeting. As the position of chairman of the Board was vacant as at the date of the annual general meeting held on 30 August 2022 (the "**2022 AGM**"), Mr. Han Weining, being the executive Director and chief executive officer of the Company on the date of the 2022 AGM, was appointed as the chairman of the 2022 AGM to answer and address questions raised by the Shareholders at the 2022 AGM.

The Directors believed that Mr. Han Weining, as the chief executive officer of the Company and the executive Director on the date of the 2022 AGM, possessed sufficient knowledge on the Group's businesses and had the required leadership in maintaining an effective dialogue with Shareholders and addressing any issues or questions raised in the general meeting. Therefore, Mr. Han was considered suitable and appropriate to act as the chairman of the 2022 AGM in the absence of the chairman of the Board.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as the code of conduct for Directors in their dealings in the Company's securities. Having made specific enquiry to all Directors, all Directors have confirmed that they had complied with the required standard of dealings as set out in the Model Code during the year ended 31 March 2023.

AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

On 28 June 2022, the Board proposed to make certain amendments to the existing memorandum and articles of association of the Company (the "**Existing Memorandum and Articles**") to be in line with the latest amendments to the Listing Rules, including the amendments made to Appendix 3 to the Listing Rules which took effect on 1 January 2022, and the applicable laws of the Cayman Islands (such proposed amendments to the Existing Memorandum and Articles are collectively referred to as the "**Proposed Amendments**"). In view of the number of the Proposed Amendments, the Board also proposed to adopt the new memorandum and articles of association of the Company (the "**New Memorandum and Articles**") in substitution for, and to the exclusion of, the Existing Memorandum and Articles in their entirety. The Proposed Amendments and the proposed adoption of the New Memorandum and Articles became effective on 30 August 2022 upon the approval by the Shareholders by passing of a special resolution at the 2022 AGM. For details of the amendments, please refer to the announcement of the Company dated 28 June 2022 and the circular of the Company dated 29 July 2022.

AUDIT COMMITTEE

The Company established an audit committee (the "**Audit Committee**") with written terms of reference and revised from time to time to comply with the CG Code. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Lam Ying Hung Andy (as committee chairman), Mr. Wang Chen and Ms. Li Mingqi. The principal duties of the Audit Committee are to review and monitor the Group's financial reporting system, and risk management and internal control systems.

The Audit Committee has reviewed the consolidated financial statements of the Company for the year ended 31 March 2023 and considered that the Company had complied with all applicable accounting standards and requirements and made adequate disclosures.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's audited consolidated financial statements for the year ended 31 March 2023. The report includes paragraphs of material uncertainty related to going concern, without modification:

Material Uncertainty Related To Going Concern

"We draw attention to Note 3 in the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK$43,679,000 during the year ended 31 March 2023 and, as of that date, the Group's current liabilities exceeded its current assets by approximately HK$50,445,000. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter."

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.synertone.net). The annual report of the Company for the year ended 31 March 2023 will be despatched to the Shareholders and published on the aforesaid websites in due course.

By order of the Board
Synertone Communication Corporation
Han Weining
Executive Director and Co-Chief Executive Officer

Hong Kong, 30 June 2023

As at the date of this announcement, the executive Directors are Mr. Han Weining, Mr. Chong Alex Tin Yam and Ms. Wang Jie; and the independent non-executive Directors are Mr. Lam Ying Hung Andy, Mr. Wang Chen, Ms. Li Mingqi and Mr. Cheng Nicholas Tat Hei.