RONGZHONG

China Rongzhong Financial Holdings Company Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 03963

INTERIM REPORT

2023/2024

COMPANY NAME

China Rongzhong Financial Holdings Company Limited

STOCK CODE

03963

BOARD OF DIRECTORS

Executive Director

Ms. Wong Emilie Hoi Yan

Non-executive Directors

Mr. Lau Hiu Fung
Ms. Wong Jacqueline Yue Yee
Ms. Wong Michelle Yatyee
Mr. Wong Ming Bun David

Independent non-executive Directors

Mr. Lie Chi Wing
Mr. Ng Wing Chung Vincent
Mr. Ng Yuk Yeung Paul

AUDIT COMMITTEE

Mr. Lie Chi Wing (Chairman)
Mr. Lau Hiu Fung
Mr. Ng Wing Chung Vincent
Mr. Ng Yuk Yeung Paul
Mr. Wong Ming Bun David

NOMINATION COMMITTEE

Mr. Ng Wing Chung Vincent (Chairman)
Mr. Lau Hiu Fung
Mr. Lie Chi Wing
Mr. Ng Yuk Yeung Paul
Ms. Wong Michelle Yatyee

REMUNERATION COMMITTEE

Mr. Ng Wing Chung Vincent (Chairman)
Mr. Lau Hiu Fung
Mr. Lie Chi Wing
Mr. Ng Yuk Yeung Paul
Ms. Wong Michelle Yatyee

RISK MANAGEMENT COMMITTEE

Ms. Wong Emilie Hoi Yan (Chairman)
Mr. Ng Wing Chung Vincent
Ms. Wong Michelle Yatyee
Mr. Wong Ming Bun David

COMPANY SECRETARY

Mr. Cheng King Fai Kenneth

REGISTERED OFFICE

Tricor Services (Cayman Islands) Limited
Third Floor, Century Yard,
Cricket Square, P.O. Box 902,
Grand Cayman, KY1-1103,
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3901, 39/F
Tower One, Lippo Centre
89 Queensway
Hong Kong

COMPANY WEBSITE

www.chinarzfh.com

AUDITOR

Moore CPA Limited
Certified Public Accountants

LEGAL ADVISER

JTC Solicitors

PRINCIPAL SHARE REGISTRAR

Tricor Services (Cayman Islands) Limited
Third Floor, Century Yard,
Cricket Square, P.O. Box 902,
Grand Cayman, KY1-1103,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road,
Hong Kong

PRINCIPAL BANKER

Bank of Communications Co., Ltd. Hong Kong Branch
China Everbright Bank, Hong Kong Branch

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of China Rongzhong Financial Holdings Company Limited (the "**Company**") hereby presents to the shareholders of the Company (the "**Shareholders**") the unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 September 2023 (the "**Reporting Period**") with comparative figures as follows.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2023

	Notes	Six months ended 30 September **2023** **HK$'000** **(Unaudited)**	 2022 HK$'000 (Unaudited)
Revenue	4	**49,197**	45,509
Other income		**41**	467
Cost of sales and services		**(24,790)**	(21,293)
Other gains and losses	5	**2,072**	1,607
Staff costs		**(13,448)**	(14,031)
Reversal of/(provision of) impairment losses and expected credit losses	6	**14**	(7,525)
Other operating expenses		**(8,362)**	(9,382)
Finance costs	7	**(3,421)**	(17,667)
Profit/(loss) before tax		**1,303**	(22,315)
Income tax expense	8	**(10)**	(8)
Profit/(loss) for the period	9	**1,293**	(22,323)
Other comprehensive (expense)/income			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		**(418)**	68,675
Total comprehensive income for the period		**875**	46,352
(Loss)/profit for the period attributable to:			
Owners of the Company		**(1,232)**	(23,292)
Non-controlling interests		**2,525**	969
		1,293	(22,323)
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(1,246)**	46,101
Non-controlling interests		**2,121**	251
		875	46,352
Loss per share			
Basic (HK cents)	11	**(0.29)**	(5.65)

Condensed Consolidated Statement of Financial Position

At 30 September 2023

	Notes	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	**49,437**	59,206
Deposits		**178**	544
Goodwill	14	**9,000**	9,273
		58,615	69,023
Current assets			
Lease receivables and receivables arising from sale and leaseback arrangements	13	**2,174**	4,545
Trade receivables	15	**8,641**	4,765
Prepayments and other receivables		**1,367**	727
Cash and cash equivalents		**15,269**	14,575
		27,451	24,612
Current liabilities			
Trade payables	16	**249**	130
Deposits from customers		**8,197**	10,579
Other payables and accrued charges		**5,875**	5,804
Contract liabilities		**4,573**	4,551
Lease liabilities		**2,119**	2,357
Tax liabilities		**1,091**	1,446
Bank borrowings	17	**1,261**	1,242
Amount due to a related company	18	**23,933**	29,102
Amount due to a shareholder	19	**1,284**	334
Derivative financial liabilities	21	**–**	8,326
		48,582	63,871
Net current liabilities		**(21,131)**	(39,259)
Total assets less current liabilities		**37,484**	29,764

Condensed Consolidated Statement of Financial Position

At 30 September 2023

	Notes	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Non-current liabilities			
Lease liabilities		**816**	959
Convertible bonds	20	**2,033**	2,692
Derivative financial liabilities	21	**4,479**	1,285
Loan note	22	**11,599**	10,252
Bank borrowings	17	**1,413**	2,047
Amount due to a related company	18	**10,189**	14,061
Amount due to a shareholder	19	**25,073**	21,000
Contingent consideration payables	23	**2,407**	2,468
		58,009	54,764
Net liabilities		**(20,525)**	(25,000)
EQUITY			
Equity attributable to owners of the Company			
Share capital	24	**4,208**	4,125
Deficit		**(33,143)**	(35,414)
		(28,935)	(31,289)
Non-controlling interests		**8,410**	6,289
Capital deficiency		**(20,525)**	(25,000)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2023

	Attributable to owners of the Company								
	Share capital HK$'000	Share premium HK$'000	Statutory surplus reserve HK$'000 (note)	Share option reserve HK$'000	Translation reserve HK$'000	Accumulated losses HK$'000	Sub-total HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 April 2022 (audited)	4,125	552,818	32,430	1,045	(81,955)	(1,209,889)	(701,426)	5,542	(695,884)
(Loss)/profit for the period	–	–	–	–	–	(23,292)	(23,292)	969	(22,323)
Exchange differences on translation from functional currency to presentation currency	–	–	–	–	69,393	–	69,393	(718)	68,675
Total comprehensive income/(expense) for the period	–	–	–	–	69,393	(23,292)	46,101	251	46,352
Transfer to statutory surplus reserve	–	–	29	–	–	(29)	–	–	–
Recognition of equity-settled share-based payments	–	–	–	235	–	–	235	–	235
Lapse of share options	–	–	–	(27)	–	27	–	–	–
At 30 September 2022 (unaudited)	4,125	552,818	32,459	1,253	(12,562)	(1,233,183)	(655,090)	5,793	(649,297)

	Attributable to owners of the Company								
	Share capital HK$'000	**Share premium HK$'000**	**Statutory surplus reserve HK$'000 (note)**	**Share option reserve HK$'000**	**Translation reserve HK$'000**	**Accumulated losses HK$'000**	**Sub-total HK$'000**	**Non-controlling interests HK$'000**	**Total HK$'000**
At 1 April 2023 (audited)	**4,125**	**552,818**	**29**	**1,482**	**(2,798)**	**(586,945)**	**(31,289)**	**6,289**	**(25,000)**
(Loss)/profit for the period	**–**	**–**	**–**	**–**	**–**	**(1,232)**	**(1,232)**	**2,525**	**1,293**
Exchange differences on translation from functional currency to presentation currency	**–**	**–**	**–**	**–**	**(14)**	**–**	**(14)**	**(404)**	**(418)**
Total comprehensive (expense)/income for the period	**–**	**–**	**–**	**–**	**(14)**	**(1,232)**	**(1,246)**	**2,121**	**875**
Recognition of equity-settled share-based payments	**–**	**–**	**–**	**234**	**–**	**–**	**234**	**–**	**234**
Conversion of convertible bonds (note 20)	**83**	**3,283**	**–**	**–**	**–**	**–**	**3,366**	**–**	**3,366**
At 30 September 2023 (unaudited)	**4,208**	**556,101**	**29**	**1,716**	**(2,812)**	**(588,177)**	**(28,935)**	**8,410**	**(20,525)**

Note:

Pursuant to the articles of association of the subsidiary established in the People's Republic of China (the "**PRC**"), it is required to appropriate 10% or an amount to be determined by its directors of its profit after taxation in accordance with the relevant accounting rules and financial regulations of the PRC before any distribution of dividends to owners each period to the statutory surplus reserve until the balance reached 50% of its registered capital.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023	2022
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Net cash from/(used in) operating activities	**7,375**	(4,832)
INVESTING ACTIVITIES		
Interest received from bank deposits	**14**	16
Purchases of property, plant and equipment	**(11)**	(338)
Proceeds on disposal of property, plant and equipment	**–**	131
Net cash from/(used in) investing activities	**3**	(191)
FINANCING ACTIVITIES		
Advances from a related company	**2,045**	8,452
Repayments to a related company	**(10,286)**	(7,262)
Advances from a shareholder	**4,333**	4,800
New bank borrowings raised	**–**	24,166
Interest paid	**(222)**	(574)
Repayments of bank borrowings	**(614)**	(25,182)
Repayments of principal portion of lease liabilities	**(1,241)**	(1,303)
Repayments of interest element of lease liabilities	**(75)**	(118)
Net settlement of derivative financial liabilities	**–**	(646)
Net cash (used in)/from financing activities	**(6,060)**	2,333
Net increase/(decrease) in cash and cash equivalents	**1,318**	(2,690)
Cash and cash equivalents at 1 April	**14,575**	15,479
Effect of foreign exchange rate changes	**(624)**	(1,210)
Cash and cash equivalents at 30 September	**15,269**	11,579

1. GENERAL INFORMATION

China Rongzhong Financial Holdings Company Limited (the "**Company**") is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of its registered office is Tricor Services (Cayman Islands) Limited Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and its principal place of business in Hong Kong is Unit 3901, 39/F, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the "**Group**") are provision of lease services in the PRC, due diligence, debt collection and credit investigation services in the PRC, Hong Kong and Singapore.

The trading in the shares of the Company on the Stock Exchange has been suspended with effect from 27 September 2022 and resumed on 13 July 2023.

2. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION

The interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern basis

As at 30 September 2023, the Group had net current liabilities and net liabilities of approximately HK$21,131,000 and HK$20,525,000 respectively, whereas its cash and cash equivalents maintained was approximately HK$15,269,000 only as at the same date. Besides, the Group also had bank borrowings of approximately HK$1,261,000, amount due to a related company of approximately HK$23,933,000 and amount due to a shareholder of approximately HK$1,284,000, respectively, that were repayable within 12 months after the end of the reporting period.

These conditions indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

2. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION (continued)

Going concern basis (continued)

In view of these circumstances, the directors of the Company have prepared a cash flow forecast covering a period of eighteen months from the end of the reporting period. In doing so, they have given careful consideration to the future liquidity and cash flows of the Group in assessing whether the Group will have sufficient financial resources to continue as a going concern after taking account of the following plans and measures:

(i) Obtaining new source of finance to improve working capital requirements

The Company and Goldbond Group Holdings Limited ("**Goldbond**"), a substantial shareholder with significant influence of the Company, entered into a loan agreement pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK$50,000,000 to fund the general working capital of the Company, (the "**Goldbond Loan Agreement**"), and its maturity date is 20 October 2024. The Group also renewed loan facility from a related company, with an aggregate facilities amount of RMB40,000,000 (equivalent to approximately HK$43,478,000), and its maturity will be on 1 July 2024. As at 30 September 2023 and the date of issuance of this interim report, the total facilities amount of HK$35,634,000 and HK$32,946,000, respectively, as stand-by un-utilised and available facilities. Besides, the directors of the Company are also negotiating and obtaining new loan facilities with other sources of finance when necessary.

(ii) Successful execution of a subscription agreement and capitalisation of certain specified liabilities

The Group could improve its financial position upon successful execution of the share subscription agreement between the Company and Goldbond, in which certain number of shares of the Company to be further issued so as to offset against the certain liabilities of the Group, including the outstanding carrying amount due to Goldbond by the Company of approximately HK$26,357,000 and outstanding carrying amount of unsecured loan note of HK$11,599,000 issued by the Company to Goldbond with the principal amount of approximately HK$13.2 million (carried at a coupon rate of 4.58% per annum with the maturity date falling on 3 March 2025) and the related accrued and unpaid interests. For details, please refer to the Company and Goldbond's joint announcements dated 30 October 2023 and 20 November 2023; and

(iii) Implementation of active cost-saving measures

The Group continues to take active measures to control administrative costs through various channels to improve operating cash flows and its financial position.

Based on the above plans and measures, the directors of the Company are of the opinion that the Group will have sufficient working capital to satisfy its requirements for at least the next twelve months from the date of this report and, accordingly, the directors of the Company are satisfied that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

2. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION (continued)

Going concern basis (continued)

Should the Group be unable to achieve the abovementioned plans and measures, it would be unable to meet its financial commitments based on the current level of its cash resources and unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their net realisable amounts; to provide for further liabilities which may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these interim condensed consolidated financial statements.

3. PRINCIPAL ACCOUNTING POLICIES

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those presented in the Group's annual financial statements for the year ended 31 March 2023.

The interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2023.

Application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2023 for the preparation of the Group's condensed consolidated financial statements:

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

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

3. PRINCIPAL ACCOUNTING POLICIES (continued)

New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Government of the Hong Kong SAR (the "**Government**") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**"), which will eventually abolish the statutory right of an employer to reduce its long service payment ("**LSP**") and severance payment payable to a Hong Kong employee by drawing on its mandatory contributions to the mandatory provident fund ("**MPF**") scheme (also known as the "**offsetting mechanism**"). The Government has subsequently announced that the Amendment Ordinance will come into effect from 1 May 2025 (the "**Transition Date**"). Separately, the Government is also expected to introduce a subsidy scheme to assist employers after the abolition.

In July 2023, the HKICPA published "**Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong**" that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism.

The Group has assessed the implications of this new guidance on the above accounting policies and has decided to change those accounting policies to conform with the guidance. Management has commenced the processes on implementing the change including additional data collection and impact assessment. However, the impact of the change is not reasonably estimable at the time the interim financial report is authorised for issue, as the Group has yet to fully complete its assessment of the impact of the HKICPA guidance.

4. REVENUE AND SEGMENT INFORMATION

The directors of the Company determined the reportable segments of the Group as follows:

(1) Leasing services – providing leasing services including:

– direct leasing – sale and leaseback and operating leasing services in the PRC

– operating lease – providing operating lease of motor vehicles services in the PRC

(2) Debt collection and credit investigation services – providing debt collection services and credit investigation services in Hong Kong, the PRC and Singapore

4. REVENUE AND SEGMENT INFORMATION (continued)

(a) Segment revenue and results

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

For the six months ended 30 September 2023 (unaudited)

	Leasing services HK$'000	Debt collection and credit investigation services HK$'000	Total HK$'000
Segment revenue			
Revenue from external customers	**24,045**	**25,152**	**49,197**
Segment results excluding provision of expected credit losses recognised on lease receivables and receivables arising from sale and leaseback arrangements and trade receivables	**1,172**	**4,577**	**5,749**
Reversal of/(provision of) expected credit losses recognised on lease receivables and receivables arising from sale and leaseback arrangements and trade receivables	**397**	**(383)**	**14**
Segment results	**1,569**	**4,194**	**5,763**
Unallocated:			
Other gains and losses			**2,084**
Staff costs			**(1,728)**
Other operating expenses			**(2,446)**
Finance costs			**(2,370)**
Profit before tax			**1,303**

4. REVENUE AND SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

For the six months ended 30 September 2022 (unaudited)

	Leasing services HK$'000	Debt collection and credit investigation services HK$'000	Total HK$'000
Segment revenue			
Revenue from external customers	26,783	18,726	45,509
Segment results excluding provision of expected credit losses recognised on lease receivables and receivables arising from sale and leaseback arrangements and trade receivables and impairment losses recognised on goodwill	(10,726)	(1,769)	(12,495)
Provision of expected credit losses recognised on lease receivables and receivables arising from sale and leaseback arrangements and trade receivables	(1,177)	(89)	(1,266)
Impairment losses recognised on goodwill	–	(5,998)	(5,998)
Segment results	(11,903)	(7,856)	(19,759)
Unallocated:			
Other income			65
Other gains and losses			1,504
Staff costs			(1,807)
Other operating expenses			(1,496)
Finance costs			(822)
Loss before tax			(22,315)

4. REVENUE AND SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

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

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Segment assets		
Leasing services	**66,759**	77,222
Debt collection and credit investigation services	**19,251**	16,199
Total segment assets	**86,010**	93,421
Unallocated assets	**56**	214
Total assets	**86,066**	93,635
Segment liabilities		
Leasing services	**43,521**	54,509
Debt collection and credit investigation services	**15,087**	16,135
Total segment liabilities	**58,608**	70,644
Unallocated liabilities	**47,983**	47,991
Total liabilities	**106,591**	118,635

4. REVENUE AND SEGMENT INFORMATION (continued)

(c) Revenue from major services

The following is an analysis of the Group's revenue from its major services:

	Six months ended 30 September	
	2023	2022
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Income from debt collection services	**16,300**	7,418
Income from credit investigation services	**8,852**	11,308
Income from sales of motor vehicles	**9,877**	9,890
Revenue from contracts with customers	**35,029**	28,616
Rental income	**14,001**	14,285
Interest income arising from sale and leaseback arrangements	**167**	2,608
	49,197	45,509
Revenue from contracts with customers		
At a point in time	**34,916**	28,495
Transferred over time	**113**	121
	35,029	28,616

5. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2023	2022
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Foreign exchange loss, net	**(747)**	(1,136)
Fair value gain/(loss) on derivative financial liabilities (note 21)	**2,758**	(159)
Fair value gain on contingent consideration payables (note 23)	**61**	2,771
Gain on disposal of property, plant and equipment	**–**	131
	2,072	1,607

6. (REVERSAL OF)/PROVISION OF IMPAIRMENT LOSSES AND EXPECTED CREDIT LOSSES

	Six months ended 30 September	
	2023	2022
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
(Reversal of)/provision for expected credit losses recognised on:		
– lease receivables and receivables arising from sale and leaseback arrangements (note 13)	**(455)**	1,079
– trade receivables (note 15)	**441**	187
Impairment losses recognised on:		
– property, plant and equipment	**–**	261
– goodwill (note 14)	**–**	5,998
	(14)	7,525

7. FINANCE COSTS

	Six months ended 30 September	
	2023	2022
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Interest on amount due to a related company	**918**	1,144
Interest on amount due to a shareholder	**690**	406
Interest on lease liabilities	**75**	118
Interest on bank borrowings of Alpha & Leader Risks and Assets Management Company Limited and its subsidiaries (collectively referred to as the "**Alpha & Leader Group**")	**53**	58
Interest on bank borrowings of Rongzhong Capital Holdings Limited (a then subsidiary of the Company) and its subsidiaries	**–**	15,525
Interest on amount due to the non-controlling substantial shareholder of the Alpha & Leader Group	**5**	–
Imputed interest on loan note (note 22)	**1,347**	341
Imputed interest on convertible bonds (note 20)	**333**	75
	3,421	17,667

8. INCOME TAX EXPENSE

	Six months ended 30 September	
	2023	2022
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Enterprise Income Tax in the PRC		
Current tax	**10**	26
Overprovision in prior year	**–**	(18)
Income tax expense	**10**	8

No provision for Hong Kong Profits Tax has been made in the interim condensed consolidated financial statements as the Group's operation in Hong Kong had no assessable profits during the six months ended 30 September 2023 and 2022.

Pursuant to the approval of the tax bureau, in accordance with the Enterprise Income Tax Law of PRC (the "**EIT Law**") and the Implementation Regulation of the EIT Law, one (six months ended 30 September 2022: one) subsidiary is subject to the tax rate of 20% on 25% (six months ended 30 September 2022: 20% on 12.5%) of assessable profits, which assessable profits under RMB3,000,000 (six months ended 30 September 2022: RMB1,000,000), for Small Low-Profit Enterprises. Other subsidiaries located in the PRC are subject to the PRC Enterprise Income Tax at a rate of 25% (six months ended 30 September 2022: 25%) on their assessable profits.

No provision for Singapore Corporate Tax has been made in the interim condensed consolidated financial statements as the Group's operation in Singapore had no assessable profits during the six months ended 30 September 2023 and 2022.

9. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period has been arrived at after charging:

	Six months ended 30 September	
	2023	2022
	HK$'000	HK$'000
	(Unaudited)	(Unaudited)
Directors' remuneration	**1,146**	1,159
Other staff costs		
– Salaries, allowances and other staff benefits	**11,750**	12,324
– Staff's retirement benefit scheme contributions	**537**	533
– Staff's equity-settled share-based payments	**15**	15
Total staff costs	**13,448**	14,031
Depreciation of motor vehicles for rent (included in cost of sales and services)	**4,578**	4,924
Depreciation of other property, plant and equipment (included in other operating expenses)	**1,392**	1,428
Depreciation of property, plant and equipment	**5,970**	6,352
Loss on disposal of property, plant and equipment	**4,404**	1,520
Short-term lease expenses	**718**	54

10. DIVIDENDS

No dividends were paid, declared or proposed for ordinary shareholders of the Company during the six months ended 30 September 2023, nor has any dividend been proposed since the end of the reporting period (six months ended 30 September 2022: nil).

11. LOSS PER SHARE

	Six months ended 30 September	
	2023	2022
	(Unaudited)	(Unaudited)
Loss:		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share (HK$'000)	**(1,232)**	(23,292)
Number of shares:		
Weighted average number of ordinary shares in issue for the purpose of basic loss per share (in thousands)	**420,759**	412,509

The basic loss per share is calculated based on the loss attributable to owners of the Company and the weighted average number of ordinary shares in issue for the six months ended 30 September 2023 and 2022.

The calculation of basic loss per share for the six months ended 30 September 2023 and 2022 did not assume the conversion of the Company's outstanding convertible bonds nor the exercise of the Company's outstanding share options as the assumed conversion would result in a decrease in loss per share and the exercise price of those options is higher than the average market price for shares.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired property, plant and equipment with a cost of approximately HK$11,674,000 (six months ended 30 September 2022: HK$16,234,000) and disposed of property, plant and equipment with an aggregate carrying amount of approximately HK$14,281,000 (six months ended 30 September 2022: HK$11,430,000).

During the six months ended 30 September 2023, additions to right-of-use assets were approximately HK$1,021,000 (six months ended 30 September 2022: HK$192,000).

13. LEASE RECEIVABLES AND RECEIVABLES ARISING FROM SALE AND LEASEBACK ARRANGEMENTS

The Group provides financial leasing services in the PRC.

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Lease receivables	**–**	–
Receivables arising from sale and leaseback arrangements	**2,174**	4,545
	2,174	4,545

	Minimum lease payments	
	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Lease receivables and receivables arising from sale and leaseback arrangements comprise:		
Within one year	**434,196**	456,659
In more than one year but not more than two years	**20,167**	21,084
In more than two years but not more than three years	**34,917**	19,057
In more than three years but not more than four years	**326**	17,788
	489,606	514,588
Less: unearned finance income	**(7,880)**	(8,238)
	481,726	506,350
Less: impairment allowance	**(479,552)**	(501,805)
	2,174	4,545
Analysed for reporting purposes as:		
Current assets	**2,174**	4,545

13. LEASE RECEIVABLES AND RECEIVABLES ARISING FROM SALE AND LEASEBACK ARRANGEMENTS (continued)

The Group's lease receivables and receivables arising from sale and leaseback arrangements are denominated in RMB which is the functional currency of the relevant group entity. The effective interest rates of the above lease receivables and receivables arising from sale and leaseback arrangements range mainly from 8.3% to 15.4% per annum as at 30 September 2023 and 31 March 2023.

Lease receivables and receivables arising from sale and leaseback arrangements are mainly secured by leased assets which are used in laser processing, plastics, industrial processing, textile and garment, hotel and leisure and other industries, customers' deposits and leased assets repurchase arrangement where applicable. Customers' deposits are collected and calculated based on a certain percentage of the entire value of the lease contract. The deposits are returned to the customers in portion over the lease contract or in full by end of lease period according to the terms of the lease contract. When the lease contract expires and all liabilities and obligations under the lease contract had been fulfilled, the lessor must return the full lease deposits to the lessee. The balance of the customers' deposits can also be applied and used to settle any outstanding lease payments for the corresponding lease contract. Additional collateral may be obtained from customers to secure their repayment obligations under leases and sale and leaseback arrangements and such collaterals include vessels, commercial and residential properties, equipment and machineries. There was no unguaranteed residual value of leased assets and no contingent rent arrangement that needed to be recognised in both periods.

Lease receivables and receivables arising from sale and leaseback arrangements were considered credit-impaired when the customers fail to settle according to the settlement terms for more than 90 days after taking into consideration the recoverability of collateral and deposits. As at 30 September 2023, the gross carrying amounts of lease receivables and receivables arising from sale and leaseback arrangements of HK$479,552,000 (31 March 2023: HK$501,350,000) were determined to be impaired under the lifetime expected credit losses. The lifetime expected credit losses of impaired receivables are related to those credit exposures where there has been a significant increase in credit risk since initial recognition, which the loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The carrying amount of receivables arising from sale and leaseback arrangements of HK$2,174,000 were fully received in October 2023.

Movements of the provision for impairment losses on lease receivables and receivables arising from sale and leaseback arrangements are as follows:

	HK$'000
At 1 April 2022 (audited)	1,522,838
Impairment losses recognised, net	77,647
Arising from disposal of subsidiaries	(957,476)
Exchange realignment	(141,204)
At 31 March 2023 (audited)	501,805
Reversal of impairment losses recognised, net	**(455)**
Exchange realignment	**(21,798)**
At 30 September 2023 (unaudited)	**479,552**

14. IMPAIRMENT TESTING ON GOODWILL

For the purposes of impairment testing, goodwill has been allocated to two individual cash-generating units, comprising one sub-group of subsidiaries in the debt collection and credit investigation services segment and one sub-group of subsidiaries in the operating lease service segment.

Impairment testing on goodwill arising from the Alpha & Leader Group

The recoverable amount of the Alpha & Leader Group has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 20.4% as at 31 March 2023. The Alpha & Leader Group's cash flows beyond the 5-year period are extrapolated using a steady 3.0% growth rate as at 31 March 2023. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

During the year ended 31 March 2023, the directors of the Company have consequently determined impairment of goodwill directly related to the Alpha & Leader Group amounting to HK$9,554,000. The impairment loss has been included in profit or loss in the "impairment losses and provision of expected credit losses" line item (note 6). No other write-down of the assets of the Alpha & Leader Group is considered necessary. The recoverable amount of the Alpha & Leader Group amounted to HK$9,840,000 as at 31 March 2023.

If the pre-tax discount rate was changed to 22.4%, while other parameters remain constant, the recoverable amount of the Alpha & Leader Group would be reduced to HK$8,840,000 and a further impairment of goodwill of HK$510,000 would be recognised.

If the budgeted sales covering 5-year period were reduced by 2.0%, while other parameters remain constant, the recoverable amount of the Alpha & Leader Group would be reduced to HK$1,760,000 and a further impairment of goodwill of HK$2,980,000 would be recognised.

During the six months ended 30 September 2023, management of the Group determines that there is no impairment on goodwill arising from the Alpha & Leader Group.

15. TRADE RECEIVABLES

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Trade receivables arising from debt collection and credit investigation services	**9,085**	4,460
Less: allowance for credit losses	**(860)**	(498)
Net trade receivables arising from debt collection and credit investigation services	**8,225**	3,962
Trade receivables arising from leasing services	**764**	1,109
Less: allowance for credit losses	**(348)**	(306)
Net trade receivables arising from leasing services	**416**	803
Total trade receivables, net of allowance for expected credit losses	**8,641**	4,765

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates.

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
0 to 30 days	**5,764**	3,093
31 to 60 days	**666**	620
61 to 90 days	**292**	306
Over 90 days	**1,919**	746
	8,641	4,765

The credit terms of the trade receivables for debt collection and credit investigation services are ranged from 0 to 60 days from the date of billing.

The Group normally grants credit terms to its customers according to industry practice together with consideration of their creditability and repayment history. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management.

For leasing services, the customers are obliged to settle the amounts according to the terms set out in relevant contracts and, normally, no credit period was granted to customers.

15. TRADE RECEIVABLES (continued)

As at 30 September 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$2,533,000 (31 March 2023: HK$1,682,000) which are past due as at the reporting date. Out of the past due balances, HK$1,919,000 (31 March 2023: HK$746,000) has been past due 90 days or more and is not considered as in default.

Movement of the provision for impairment losses on trade receivables is as follows:

	HK$'000
At 1 April 2022 (audited)	688
Impairment losses recognised	179
Exchange realignment	(63)
At 31 March 2023 (audited)	804
Impairment losses recognised	**441**
Exchange realignment	**(37)**
At 30 September 2023 (unaudited)	**1,208**

16. TRADE PAYABLES

The following is an aged analysis of trade payable presented based on the invoice dates.

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
0 to 30 days	**75**	63
31 to 60 days	**13**	5
61 to 90 days	**4**	22
Over 90 days	**157**	40
	249	130

17. BANK BORROWINGS

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Unsecured variable-rate borrowings	**2,674**	3,289
The carrying amounts of the above borrowings are repayable*:		
Within one year	**1,261**	1,242
Within a period of more than one year but not exceeding two years	**1,251**	1,284
Within a period of more than two years but not exceeding five years	**162**	763
	2,674	3,289
Less: amounts shown under current liabilities	**(1,261)**	(1,242)
Amounts shown under non-current liabilities	**1,413**	2,047

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

As at 30 September 2023, the Group's bank borrowings only represented the borrowings from the Alpha & Leader Group with carrying amount of approximately HK$2,674,000 (31 March 2023: HK$3,289,000) which were guaranteed by the non-controlling substantial shareholders of Alpha & Leader Group.

As at 30 September 2023, the Group's variable-rate borrowings carry interest at the rate of 3.625% (31 March 2023: 3.38%) per annum.

The Group's bank borrowings are denominated in HK$ which are the functional currency of the relevant group entity.

18. AMOUNT DUE TO A RELATED COMPANY

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Shanghai Nanlang Finance Lease Co., Ltd.* (上海南朗融資租賃有限公司) (“**Shanghai Nanlang**”) (note)	**34,122**	43,163
The carrying amount of the above borrowing is repayable*:		
Within one year	**23,210**	28,679
The carrying amount of the above borrowing that contains a repayment on demand clause but repayable:		
Within one year	**723**	423
Within a period of more than one year but not exceeding two years	**10,189**	14,061
	34,122	43,163
Less: amounts due within one year shown under current liabilities	**(23,933)**	(29,102)
Amounts shown under non-current liabilities	**10,189**	14,061

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

* For identification purpose only

Note: Shanghai Nanlang is an indirect non-wholly-owned subsidiary of Goldbond, the substantial shareholder of the Company and Ultimate Harvest Global Limited (“**UMH**”). During the six months ended 30 September 2023 and the year ended 31 March 2023, Goldbond has significant influence over the Company. During the six months ended 30 September 2023 and the year ended 31 March 2023, Goldbond has significant influence over UMH. Therefore, Shanghai Nanlang is considered as a related company of the Company.

The loan facilities offered by Shanghai Nanlang are as follows:

(i) loan facilities of a maximum amount of RMB40,000,000, carried interest at 5.0% (31 March 2023: 4.5%) per annum and repayable on the third anniversary from the first date of loan drawdown, and the maturity date is 30 June 2023. On 28 June 2023, the Group entered into a supplementary agreement with Shanghai Nanlang and extended the maturity date of the loan facilities to 1 July 2024, in which:

the principal amounts of RMB20,775,000 (equivalent to approximately HK$22,582,000) (31 March 2023: RMB25,027,000 (equivalent to approximately HK$28,440,000)) were utilised; and

the principal amounts of RMB19,225,000 (equivalent to approximately HK$20,897,000) (31 March 2023: RMB14,973,000 (equivalent to approximately HK$17,015,000)) are un-utilised and available as at 30 September 2023;

18. AMOUNT DUE TO A RELATED COMPANY (continued)

(ii) loan facilities offered by Goldbond of a maximum amount of HK$50,000,000 (in which a maximum amount of RMB20,000,000 (31 March 2023: RMB20,000,000) offered by Shanghai Nanlang), carried interest at 6.0% (31 March 2023: 6.0%) per annum and repayable on the third anniversary from the first date of loan drawdown (i.e. the maturity date being 20 October 2024), in which the principal amounts of approximately RMB9,374,000 (equivalent to approximately HK$10,189,000) (31 March 2023: RMB12,374,000 (equivalent to approximately HK$14,061,000)) were utilised as at 30 September 2023;

The corresponding interest expenses were recognised as "finance costs" in profit or loss for the six months ended 30 September 2023 and the year ended 31 March 2023 (note 7). The amount due to a related company is denominated in RMB which is the functional currency of the relevant group entities.

The amounts due to Shanghai Nanlang are unsecured and repayable on demand.

The subsidiaries of the Group have obtained a letter from Shanghai Nanlang that Shanghai Nanlang will not demand the subsidiaries of the Group to repay the any outstanding amounts with the next twelve months from 30 September 2023 and from date of issuance of the condensed consolidated financial statements.

19. AMOUNT DUE TO A SHAREHOLDER

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Goldbond	**26,357**	21,334
The carrying amount of the above borrowing that contains a repayment on demand clause but repayable:		
Within one year	**1,284**	334
Within a period of more than one year but not exceeding two years	**25,073**	21,000
	26,357	21,334
Less: amounts due within one year shown under current liabilities	**(1,284)**	(334)
Amounts shown under non-current liabilities	**25,073**	21,000

Balances were due to Goldbond, a substantial shareholder with significant influence of the Company.

19. AMOUNT DUE TO A SHAREHOLDER (continued)

The loan facilities offered by Goldbond of a maximum amount of HK$50,000,000 (in which a maximum amount of RMB20,000,000 (31 March 2023: RMB20,000,000) offered by Shanghai Nanlang), carried interest at 6.0% (31 March 2023: 6.0%) per annum and repayable on the third anniversary from the first date of loan drawdown, and the maturity date is 20 October 2024, in which:

(i) the principal amount of HK$25,073,000 (31 March 2023: HK$21,000,000) was utilised, as shown above in this note; and

(ii) the amount of approximately RMB9,374,000 (equivalent to approximately HK$10,189,000) (31 March 2023: RMB12,374,000 (equivalent to approximately HK$14,061,000)) was utilised as at 30 September 2023, as also disclosed in note 18;

The amount of HK$14,738,000 (31 March 2023: HK$14,939,000) was un-utilised and available as at 30 September 2023. The corresponding expenses were recognised as “finance costs” in profit or loss for the six months ended 30 September 2023 and the year ended 31 March 2023 (note 7). The remaining balance of HK$288,000 (31 March 2023: HK$29,000) due to Goldbond is interest-free.

The entire amounts due to Goldbond are unsecured and repayable on demand.

The Company has obtained a letter from Goldbond that Goldbond will not demand the Company to repay any outstanding amount within the next twelve months from 30 September 2023 and from date of issuance of the condensed consolidated financial statements.

20. CONVERTIBLE BONDS

The Company issued three-year, interest-free, redeemable convertible bonds (the “**Convertible Bonds**”) at an aggregate principal amount of HK$3,811,500 on 4 March 2022. The Convertible Bonds are denominated in HK$ and are unsecured. The maturity date (the “**Maturity Date I**”) is the date falling immediately before the third anniversary of the date of issue of the Convertible Bonds, i.e. 3 March 2025. The Convertible Bonds entitle the holders to convert them into ordinary shares of the Company at any time commencing from the seventh day after the date of issue of the convertible bonds to the seventh day (inclusive) before the Maturity Date I at a conversion price of HK$0.154 per convertible bond, subject to restrictions and adjustments in accordance with the terms and conditions of the Convertible Bonds. Unless already converted or redeemed in accordance with the conditions and terms of the convertible bonds, the Company shall redeem the outstanding principal amount at the redemption price (being 100% of the then outstanding principal amount) at Maturity Date I.

The conversion options are not settled by exchange of a fixed amount of cash or another asset for a fixed number of the Company’s own shares. Hence, the Convertible Bonds contain two components, debt component and derivative (including conversion options) component. As at 30 September 2023, the effective interest rate of the debt component is 16.9% (31 March 2023: 19.8%) per annum. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

20. CONVERTIBLE BONDS (continued)

The movement of the debt and derivative components of the Convertible Bonds is set out as below:

	Debt component HK$'000	Derivative component HK$'000
At 1 April 2022 (audited)	2,245	833
Imputed interest charged (note 7)	447	–
Loss arising on changes of fair value	–	452
At 31 March 2023 (audited)	2,692	1,285
Imputed interest charged (note 7)	**333**	**–**
Loss arising on changes of fair value	**–**	**5,568**
Conversion of convertible bonds during the period	**(992)**	**(2,374)**
At 30 September 2023 (unaudited)	**2,033**	**4,479**

The binomial option pricing model is used for valuation of the derivative component. The key inputs used in the model are disclosed in note 26.

The Convertible Bonds were issued to Goldbond, a substantial shareholder with significant influence of the Company, to settle part of the consideration for the acquisition of UMH and its subsidiaries (collectively referred to as the "**UMH Group**").

21. DERIVATIVE FINANCIAL LIABILITIES

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Derivative financial liabilities:		
Potential additional compensations arising from the acquisition of the Alpha & Leader Group (note i)	**–**	8,326
Conversion options of the Convertible Bonds (note 20) arising from the acquisition of the UMH Group (note ii)	**4,479**	1,285
	4,479	9,611
Analysed for reporting purposes as:		
Current liabilities	**–**	8,326
Non-current liabilities	**4,479**	1,285
	4,479	9,611

21. DERIVATIVE FINANCIAL LIABILITIES (continued)

Notes:

(i) On 25 August 2021, the Company entered into a lock-up agreement with the Vendors (the "**Vendors**", as defined in the Company's circular dated 30 June 2021), Goldbond, Silver Creation Investments Limited ("**Silver Creation**") and Solomon Glory Limited ("**Solomon Glory**") in respect of the acquisition of 51% equity interest in the Alpha & Leader Group. Pursuant to the lock-up agreement, the restricted period with respect to disposal of the first tranche transfer shares (the "**First Tranche Transfer Shares**", as defined in the Company's circular dated 30 June 2021) by the Vendors shall be 18 months immediately following the date of shares transfer from Silver Creation. In respect of the First Tranche Transfer Shares only, after 6 months following the date of transfer of the First Tranche Transfer Shares, the Vendors could, by notice in writing sent to the Company, notify the Company of their intention to dispose of all or part of the First Tranche Transfer Shares in the open market through the Stock Exchange during the aforesaid 18-month restricted period but the Vendors shall sell the First Tranche Transfer Shares to independent third parties in the open market through the Stock Exchange at the prevailing market price. In the event that the relevant First Tranche Transfer Shares were disposed of in the open market through the Stock Exchange at a price of less than HK$0.4 per share, the shortfall amount (being the difference between HK$0.4 and the average trading price of the relevant First Tranche Transfer Shares being sold in the open market) shall be compensated by the Company to the Vendors in cash.

The derivative financial liability was stated at fair value based on the valuation performed by an independent firm of professional valuer. At the inception date, the fair value of the derivative financial liability was assessed as HK$8,572,000. As at 31 March 2023, the fair value of the derivative financial liability was decreased by HK$336,000 (30 September 2023: nil) and the gain (six months ended 30 September 2023: nil) was recognised in profit or loss for the year ended 31 March 2023 (note 5). During the year ended 31 March 2023, the Company paid approximately HK$816,000 (six months ended 30 September 2023: nil) to a vendor for the net settlement of derivative financial liabilities.

The lock-up period was originally ended on 24 February 2023, and the Company, the Vendors, Goldbond, Solomon Glory and Silver Creation further negotiated this matter, and on 4 April 2023, the Company, the Vendors, Goldbond, Solomon Glory and Silver Creation formally entered into a supplemental lock-up agreement (the "**Supplemental Lock-up Agreement**") in respect of the extension of the period during which the compensation arrangement is applicable.

Pursuant to the Supplemental Lock-up Agreement, in respect of the First Tranche Transfer Shares only, during the period from the date of resumption of trading in the Shares on the Stock Exchange (the "**Resumption Date**") to the 151st day immediately following the Resumption Date (both days inclusive) (the "**Additional Compensation Period**"). For details of the Supplemental Lock-up Agreement, please refer to the Company's announcement dated 4 April 2023.

(ii) The conversion options of the Convertible Bonds were issued to Goldbond, a substantial shareholder with significant influence of the Company. The derivative financial liability was stated at fair value based on the valuation performed by an independent firm of professional valuer. At the inception date, the fair value of the derivative financial liability was assessed as HK$874,000. As at 30 September 2023, the fair value of the derivative financial liability was increased by HK$5,567,000 (31 March 2023: HK$452,000) and the loss (year ended 31 March 2023: loss) was recognised in profit or loss for the six months ended 30 September 2023 (note 5).

22. LOAN NOTE

	HK$'000
At 1 April 2022 (audited)	9,065
Imputed interest charged (note 7)	1,187
At 31 March 2023 (audited)	10,252
Imputed interest charged (note 7)	**1,347**
At 30 September 2023 (unaudited)	**11,599**

The Company issued three-year, redeemable loan note (the "**Loan Note**") at an aggregate principal amount of HK$13,188,500 at 4.58% per annum on 4 March 2022. The Loan Note is denominated in HK$ and are unsecured. No collateral shall be provided by the Company. The maturity date (the "**Maturity Date II**") is the date falling immediately before the third anniversary of the date of issue of the Loan Note, i.e. 3 March 2025. Subject to the terms and conditions of the Loan Note, the Company shall at its absolute discretion be entitled to redeem the Loan Note in whole or in part at any time before the Maturity Date II. As at 30 September 2023, the effective interest rate of the Loan Note is 16.9% (31 March 2023: 19.8%) per annum.

The Loan Note was issued to Goldbond, a substantial shareholder with significant influence of the Company, to settle part of the consideration for the acquisition of the UMH Group.

23. CONTINGENT CONSIDERATION PAYABLES

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Promissory notes to be issued (note (a))	**2,407**	2,468
Cash consideration payable (note (b))	**–**	–
	2,407	2,468

Notes:

(a) The amount represented the fair value of three tranches of promissory notes to be issued to Solomon Glory, a wholly owned subsidiary of Goldbond, a substantial shareholder with significant influence of the Company, as compensation for Solomon Glory to transfer certain existing shares of the Company held by it in the maximum amount of 38,503,380 shares to the Vendors for the acquisition of 51% equity interest in the Alpha & Leader Group.

The promissory notes to be issued will be unsecured and non-interest bearing. The promissory notes to be issued are expected to be settled in April 2023, April 2024 and April 2025, being 13 months from the respective issue dates in settlement of the relevant transfer of existing shares of the Company by tranches by Solomon Glory to the Vendors.

(b) Cash consideration in the maximum amount of HK$3,831,256 will be settled by the Company in March 2024 in respect of the acquisition of 51% equity interest in the Alpha & Leader Group.

23. CONTINGENT CONSIDERATION PAYABLES (continued)

The promissory notes to be issued and cash consideration payable are subject to the consideration adjustment with reference to the financial performance of the Alpha & Leader Group for the year ended 31 December 2021 and 2022 and the year ending 31 December 2023 and hence constitute a contingent consideration arrangement. Details are set out in the Company's circular dated 30 June 2021.

The transfer shares held by Solomon Glory and deferred cash consideration to be transferred to the Vendors are subject to the profit guarantee given by the vendors as specified and under the heading of "Adjustment to Consideration subject to the profit guarantee" in the Company's circular dated 30 June 2021.

The contingent consideration payables were stated at fair value based on the valuation performed by an independent firm of professional valuer. At the inception date, the fair value of the contingent consideration payables was assessed as HK$6,081,000. As at 30 September 2023, the fair value of the contingent consideration payables was decreased by HK$61,000 (31 March 2023: decreased by HK$3,318,000) and the gain was recognised in the profit or loss for the six months ended 30 September 2023 (note 5).

24. SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital HK$'000
Ordinary shares of HK$0.01 each		
Authorised:		
At 1 April 2022 (audited), 30 September 2022 (unaudited), 31 March 2023 (audited), 1 April 2023 (audited) and 30 September 2023 (unaudited)	10,000,000,000	100,000
Issued:		
At 1 April 2022 (audited), 30 September 2022 (unaudited), 31 March 2023 (audited) and 1 April 2023 (audited)	412,509,000	4,125
Conversion of convertible bonds during the period (note 20)	8,250,000	83
At 30 September 2023 (unaudited)	420,759,000	4,208

All the shares issued during both periods ranked pari passu in all respects with the then existing shares in issue.

25. RELATED PARTY DISCLOSURE

(i) Related party transactions

Other than as disclosed elsewhere in the interim condensed consolidated financial statements, the Group had the following material transactions with related parties during both periods.

Name of related party	Relationship	Nature of transaction	Six months ended 30 September 2023 HK$'000 (Unaudited)	Six months ended 30 September 2022 HK$'000 (Unaudited)
Goldbond	Substantial shareholder	Rental and other expenses	**572**	–

Compensation of key management personnel

During the reporting period, the remunerations of key management personnel which represent the executive director of the Company and senior management were as follows:

	Six months ended 30 September 2023 HK$'000 (Unaudited)	Six months ended 30 September 2022 HK$'000 (Unaudited)
Salaries and other allowances	**1,884**	2,352
Retirement benefit scheme contributions	**30**	40
Equity-settled share-based payments	**25**	25
	1,939	2,417

The remuneration of directors of the Company is determined having regard to the performance of individuals and market trends.

(ii) Related party balances

Other than as disclosed elsewhere in the interim condensed consolidated financial statements, the Group has following balances with related parties:

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Amounts due to the non-controlling substantial shareholders of the Alpha & Leader Group (included in other payables)	**838**	751
Amounts due from the related companies of the non-controlling substantial shareholders of the Alpha & Leader Group (included in prepayments and other receivable)	**114**	–
Amounts due to the related companies of the non-controlling substantial shareholders of the Alpha & Leader Group (included in other payables)	**–**	696

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages an external qualified professional valuer not connected to the Group to perform the valuation. Management of the Group works closely with the external qualified valuer to establish the appropriate valuation techniques and inputs to the model.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of the financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy

	30 September 2023 Level 3 HK$'000 (Unaudited)	31 March 2023 Level 3 HK$'000 (Audited)
Derivative financial liabilities (note 21)	**4,479**	9,611
Contingent consideration payables (note 23)	**2,407**	2,468

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

(i) Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis (continued)

Fair value hierarchy (continued)

Financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)			
Derivative component in relation to the convertible bonds	**4,479**	1,285	Level 3	Binomial option pricing model. The fair value is estimated based on the risk free rate, discount rate, share price, volatility of the share price of the Company, dividend yield and exercise price.	Expected volatility of the share price of 38.9% (31 March 2023: 68.4%) determined by taking reference to historical share prices of the Company (note a).
Derivative financial liabilities arising from the acquisition of the Alpha & Leader Group	**–**	8,326	Level 3	Binomial option pricing model. The fair value is estimated based on the risk free rate, discount rate, share price, volatility of the share price of the Company, dividend yield and exercise price.	Expected volatility of the share price of 153.8% (30 September 2023: N/A) determined by taking reference to historical share prices of the Company (note b).
Contingent consideration payables	**2,407**	2,468	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate.	Probability-adjusted revenue of HK$42,730,000 (31 March 2023: probability-adjusted revenue of HK$42,730,000) and probability-adjusted loss of HK$114,000 (31 March 2023: probability-adjusted loss of HK$114,000) (note c).

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

(i) Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis (continued)

Fair value hierarchy (continued)

Notes:

(a) A slight increase in the expected volatility used in isolation would result in a slight increase in the fair value measurement of the derivative component in relation to the convertible bonds, and vice versa. As a result of the volatile financial market in 2023, management of the Group adjusted the sensitivity rate from -5% to 5% (31 March 2023: -5% to 5%) for the purpose of performing the sensitivity analysis. A 5% (31 March 2023: 5%) increase in the expected volatility holding all other variables constant would increase the carrying amount of the derivative component in relation to the convertible bonds by HK$1,000 (31 March 2023: increase by HK$108,000).

(b) A slight increase in the expected volatility used in isolation would result in a slight increase in the fair value measurement of the derivative financial liabilities, and vice versa. As a result of the volatile financial market in 2023, management of the Group adjusted the sensitivity rate from -5% to 5% (30 September 2023: N/A) for the purpose of performing the sensitivity analysis. A 5% (30 September 2023: N/A) increase in the expected volatility holding all other variables constant would increase the carrying amount of the derivative financial liabilities by HK$60,000 (30 September 2023: N/A).

(c) A slight increase in the probability-adjusted revenues and loss used in isolation would result in a slight increase in the fair value measurement of the contingent consideration payables, and vice versa. As a result of the volatile financial market in 2023, management of the Group adjusted the sensitivity rate from -5% to 5% (31 March 2023: -5% to 5%) for the purpose of performing the sensitivity analysis. A 5% decrease in the probability adjusted loss (31 March 2023: 5%) holding all other variables constant would increase the carrying amount of the contingent consideration payables by nil (31 March 2023: increase by nil).

There were no transfers between the different levels of the fair value hierarchy during the periods.

26. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

(ii) Reconciliation of Level 3 fair value measurements

	Derivative component in relation to the convertible bonds HK$'000	Derivative financial liabilities arising from the acquisition of the Alpha & Leader Group HK$'000	Contingent consideration payables HK$'000	Total HK$'000
At 1 April 2022 (audited)	833	9,478	5,786	16,097
Total loss/(gain):				
– in profit or loss	452	(336)	(3,318)	(3,202)
Settlements	–	(816)	–	(816)
At 31 March 2023 (audited)	1,285	8,326	2,468	12,079
Total loss/(gain):				
– in profit or loss	**5,568**	**(8,326)**	**(61)**	**(2,819)**
Conversion of convertible bonds during the period	**(2,374)**	**–**	**–**	**(2,374)**
At 30 September 2023 (unaudited)	**4,479**	**–**	**2,407**	**6,886**

(iii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

As at 30 September 2023, the fair value of lease receivables and receivables arising from sale and leaseback arrangements is estimated to be HK$2,174,000 (31 March 2023: HK$4,545,000) using a discount rate at 15.0% (31 March 2023: 8.3% to 15.4%) per annum.

As at 30 September 2023, the fair value of the debt component of convertible bonds is determined assuming redemption on maturity and using an interest rate of 16.9% (31 March 2023: 19.8%) per annum based on the prevailing market risk free rate, credit spread and liquidity risk premium.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values due to short maturity.

BUSINESS OVERVIEW

During the Reporting Period, the Group continued the implementation of its business strategies to (i) enhance synergies across multiple platforms within our ecosystem in order to further develop the Group's leasing business; (ii) diversify the Group's business risks through the granting of loans in smaller loan size with more liquid lease assets; and (iii) diversify geographical risk through the expansion of its operating locations; which in turn will provide sustainable sources of revenue to the Group while diversifying the Group's business risks, enhancing its financial performance and creating value for the shareholders of the Company.

The Group is principally engaged in the provision of (1) leasing services in the PRC and (2) value-added services including due diligence, credit assessment, investigation and debt collection services in Hong Kong, the PRC and Singapore.

Leasing services

The Group conducts its leasing services in various cities across the PRC covering cities of Huzhou, Jiaxing, Ningbo, Shaoxing, Shenzhen, Taizhou, Wenzhou and Wuhan. The Group as the lessor generates lease income by delivery of leased assets to its lessees who make periodic lease payments to the Group.

Credit investigation and debt collection services

To further strengthen the Group's leasing operations, we have complemented our leasing operations with value-added services including due diligence, credit assessment, investigation and debt recovery services. Often, business and credit risks are caused by asymmetry and discrepancies of information, hence, credit investigation and debt recovery would serve as the front end and back end in any business transactions. Leveraging on the Group's expertise in credit assessment and investigation, the Group has access to the latest information such as credit status, financial information and social credit ratings of potential leasing customers. Due diligence and credit investigation services are performed through established networks, databases and credit assessment system using big data analytics which in-turn generate and provide credit reports, scoring results and recommendations to clients as well as the Group prior to entering into any potential business transactions. These information are used to assist the process of customer selection, as well as the selection of transaction models and determining transaction conditions.

Debt collection services are provided for past due commercial accounts receivables ranging from 3 to 12 months, this is a non-litigation service that enables creditors to recover past due accounts receivables through mediation and dispute resolution, rather than going through the lengthy process of litigation resulting in further commitments on legal costs and risk of additional non-recoverable debts. Credit assessment, investigation and debt collection services are both part of an integral value-added service enabling the Group to further develop our leasing business.

FINANCIAL REVIEW

The following discussion and analysis pertain to the financial information of the Group.

Revenue

During the Reporting Period, the Group recorded revenue of approximately HK$49.2 million, representing an increase of approximately 8.1% from approximately HK$45.5 million recorded in the previous corresponding period ended 30 September 2022. The increase in revenue was due to the Group's effective implementation of its strategic move to expand into new operating locations and initiation to process loans with more liquid assets and generally smaller in loan size, hence, minimizing credit risk while increasing activities in leasing operations. To complement the development of the Group's leasing service, the Group provides value-added services including due diligence credit assessment, investigation and debt recovery services, so as to further strengthen the Group's leasing operations by creating an ecosystem which in turn contributed approximately HK$25.2 million to the Group's revenue during the Reporting Period. Services fees for due diligence and credit investigation services are charged based on the agreed upon scope covering the number of search targets, search period and the complexity of obtaining the relevant search information. Debt collection services are provided to clients with past due commercial accounts receivables. Substantially all revenue derived from the provision of debt collection services are recognized upon successful recovery of past due receivables.

Staff costs

Staff costs of the Group amounted to approximately HK$13.4 million for the Reporting Period, representing a decrease of approximately 4.2% from approximately HK$14.0 million recorded in the previous corresponding period ended 30 September 2022. This was mainly due to decrease in the number of staff in the Group.

Other operating expenses

During the Reporting Period, other operating expenses of the Group amounted to approximately HK$8.4 million, representing a decrease of approximately 10.9% from approximately HK$9.4 million recorded in the previous corresponding period ended 30 September 2022. This was mainly due to the decrease in other operating expenses resulting from implementation of active cost-saving measures.

Reversal of/(provision of) impairment losses and expected credit losses

Reversal of impairment losses and expected credit losses are approximately HK$14,000 for the Reporting Period. This was mainly due to changes in recoverability of certain lease receivables and receivables arising from sale and leaseback arrangements. In the previous corresponding period ended 30 September 2022, provision of impairment losses and expected credit losses amounted to approximately HK$7.5 million.

Other income

Other income of the Group mainly comprised of bank interest income and government grants. During the Reporting Period, the other income of the Group amounted to approximately HK$41,000, representing a decrease of approximately 91.2% from approximately HK$467,000 recorded in the previous corresponding period ended 30 September 2022. Such a decrease was mainly due to the decrease in government subsidies.

Finance costs

Finance costs of the Group comprised of interest on bank borrowings, interest on amount due to the non-controlling substantial shareholder of the Alpha & Leader Group, imputed interest on convertible bonds, imputed interest on loan note, interest on lease liabilities, interest on amount due to a related company and interest on amount due to a shareholder. During the Reporting Period, finance costs of the Group amounted to approximately HK$3.4 million, representing a decrease of approximately 80.6% from approximately HK$17.7 million in the previous corresponding period ended 30 September 2022. This was mainly due to the decrease in the Group's borrowings and financing activities.

As at 30 September 2023, the outstanding bank borrowings guaranteed by related parties amounted to nil (30 September 2022: approximately HK$649.0 million) and the guarantee fee paid to the related parties during the Reporting Period amounted to nil (six months ended 30 September 2022: nil).

Profit for the period

Profit for the period of the Company amounted to approximately HK$1.3 million for the Reporting Period. This was mainly due to the decrease in provision of impairment losses and expected credit losses. In the previous corresponding period ended 30 September 2022, loss for the period amounted to approximately HK$22.3 million.

Interim dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: nil).

Liquidity, financial resources and capital resources

As at 30 September 2023, the aggregate sum of the Group's cash and cash equivalents amounted to approximately HK$15.3 million (31 March 2023: approximately HK$14.6 million), representing an increase of approximately HK$0.7 million compared to 31 March 2023. This was due to a combination of multiple effects including the Group's conservative strategy to promote business, collection of past due financial assets and use of internal funding. The working capital deficiency (current assets less current liabilities) of the Group was approximately HK$21.1 million as at 30 September 2023 (31 March 2023: working capital deficiency approximately HK$39.3 million). The capital deficiency of the Group was approximately HK$20.5 million as at 30 September 2023 (31 March 2023: approximately HK$25.0 million).

As at 30 September 2023, the Group's bank borrowings with maturity within one year amounted to approximately HK$1.3 million (31 March 2023: approximately HK$1.2 million) and the Group's bank borrowings with maturity that exceeded one year amounted to approximately HK$1.4 million (31 March 2023: approximately HK$2.0 million). For particulars of bank borrowings of the Group as at 30 September 2023, please refer to note 17 to the interim condensed consolidated financial statements.

Our gearing ratio (total bank borrowings/total equity) as at 30 September 2023 was not applicable (31 March 2023: not applicable).

Charges on group assets

As at 30 September 2023, the Group did not have any mortgages, charges and pledges over the Group's assets (31 March 2023: nil)

Capital commitments

As at 30 September 2023, the Group had no capital commitments (31 March 2023: nil).

Employees and remuneration policy

As at 30 September 2023, the Group had 130 staff located in Hong Kong, the PRC and Singapore, and their remuneration is determined based on the employees' performance, experience and prevailing industry practices. The Group also offers other benefits such as medical insurance, retirement schemes and training subsidies to our employees. In addition, the Group has set up a share option scheme for the purpose of providing incentives to the eligible employees.

In Hong Kong, we participate in a Mandatory Provident Fund Scheme (the "**MPF Scheme**") established under the Mandatory Provident Fund Schemes Ordinance (Cap 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group and administered by an independent trustee. Under the MPF Scheme, the Group and its employees are each required to make a contribution to the MPF Scheme at 5% of the employees' relevant monthly income subject to a cap, which is currently set at HK$1,500.

PRC employees are covered by the mandatory social security schemes operated by the PRC government. The Group is required by the PRC laws to contribute a certain percentage of payroll costs to the retirement benefits scheme to fund the benefits. There were no forfeited contributions utilised to offset employers' contributions for the Reporting Period.

Singapore employees are covered by the mandatory social security savings scheme funded by contributions from employers and employees, the Central Provident Fund. The Group and its employees are each required to contribute a certain percentage of payroll costs to fund the mandatory social security savings schemes. There were no forfeited contributions utilized to offset employers' contributions for the Reporting Period.

RISK FACTORS AND MANAGEMENT

Credit risk of small medium enterprises ("SMEs") in the PRC

The Group's credit risk is primarily attributable to lease receivables and receivables arising from sale and leaseback arrangements, loan receivable, short-term bank deposits, security deposits, trade and other receivables and bank balances and cash. Our Group reviews individual outstanding amount regularly depending on individual circumstance and market condition.

Our business is positioned to fulfill the financing needs of SMEs and individuals, the sustainability of our business and future growth depend on our ability to manage our credit risk effectively. The Group is committed to mitigate its risk exposures and diversification of business risks through liquid and smaller loan size. As such, any deterioration in our asset quality or collectability of our lease receivables and receivables arising from leasing arrangements could adversely affect our business, prospects and financial conditions. Due to the continuation of downturn economic pressure arised from political uncertainties and business disruption due to the effects of the novel coronavirus, the recovery of economic environment being less than ideal, it is inevitable for some corporations to be faced with a greater risk of default, especially the SMEs. As most SMEs customers in general have less financial resources in terms of capital or fund raising capability when compared to larger corporations, and as such they are more likely to be adversely affected by changes in market conditions, which poses an increasing risk of default to our Group. Our management has been monitoring the changes of our customers' credit risk, and we had, in fact, in some cases requested additional collaterals and pledged assets from customers as a form of additional precautionary measures. We will continue to closely monitor the value of the related leased assets and the collaterals securing our leases in order to take effective additional precautionary measures to minimize our risk of exposure to such credit risks.

Risk relating to funding sources and interest rate

Our Group's business operation primarily relates to the interest-bearing bank borrowings and bank balances. We have incurred, and expect to continue to incur, a significant amount of interest expenses relating to our borrowings from various banks. Accordingly, fluctuations in interest rates have affected and will continue to directly and immediately affect our financing costs and, ultimately, our profitability and results of operations. However, our management will continue to closely monitor the changes in interest rate and in turn charge our clients by the same amount in order to minimize our risk of exposure to such interest rate risks.

Foreign exchange risk

Our Group is exposed to foreign currency risk primarily with respect to Renminbi ("**RMB**") and United States Dollars denominated transactions, fluctuations in exchange rates may nonetheless in the future adversely affect the value of our net assets and earnings. In particular, distributions to holders of the shares of the Company are made in Hong Kong dollars. The Group currently does not have a foreign exchange hedging policy to eliminate the currency exposures. However, our management will continue to monitor the related foreign currency exposure closely and will consider appropriate measures should the need arise.

Liquidity risk

The Group is exposed to liquidity risk in respect of settlement of trade payables, other payables and accrued charges, promissory note, derivative financial liability, contingent consideration payables and bank borrowings and its financing obligations, and also in respect of its cash flow management. The Group's policy is to regularly monitor its liquidity requirements to ensure the Group maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

CONTINGENT LIABILITIES

As at 30 September 2023, the Group did not have any material contingent liabilities (31 March 2023: nil) except for the contingent consideration payables as set out in the condensed consolidated statement of financial position.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group from time to time is exploring investment opportunities that would benefit the Shareholders as a whole. Saved as disclosed in this report, the Group did not have other material acquisition or disposals by the Group during the Reporting Period and up to the date of this report.

EVENTS AFTER THE PERIOD UNDER REVIEW

Expressions used in the section headed "The Acquisition and the Subscription" shall have the same meanings given to them in Company's joint announcement date 30 October 2023, jointly issued by the Company and Goldbond.

The Acquisition and the Subscription

On 30 October 2023 (after trading hours), Goldbond, a substantial shareholder with significant influence of the Company (as vendor) and the Company (as purchaser) entered into the Acquisition Agreement, pursuant to which the Company conditionally agreed to acquire, and Goldbond conditionally agreed to sell the Acquisition Shares, representing 49% of the issued share capital in the Target Company (a non wholly-owned subsidiary of the Company), at the consideration of HK$17,500,000 which will be satisfied by the issue and allotment of the Consideration Shares to Goldbond. Upon Acquisition Completion, the Target Company will become a wholly-owned subsidiary of the Company.

In addition, on 30 October 2023 (after trading hours), Goldbond (as subscriber) and the Company (as issuer) entered into the Subscription Agreement, pursuant to which Goldbond conditionally agreed to subscribe for, and the Company conditionally agreed to issue and allot the Subscription Shares at the Subscription Price of HK$0.38 in which the aggregate consideration payable by Goldbond will be satisfied by way of setting off against the Loan Capitalisation Amount.

Acquisition Completion and Subscription Completion are inter-conditional upon each other and shall take place simultaneously.

For details, please refer to the joint announcement dated 30 October 2023 jointly issued by the Company and Goldbond.

ADDITIONAL INFORMATION

In respect of "Going concern basis"

As explained in note 2 to the interim condensed consolidated financial statements, notwithstanding that the Group's consolidated financial statements for the period ended 30 September 2023 have been prepared on a going concern basis, there are conditions together with other matters described there indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. In view of such conditions, the Company has given careful consideration to the Group's current liquidity, performance and available resources in considering the Group's ability to continue as a going concern. The Company has taken and will continue to implement the measures as further detailed in note 2 to the interim condensed consolidated financial statements. Based on the plans and measures, the directors of the Company are of the opinion that the Group will have sufficient working capital to satisfy its requirements for at least the next twelve months from the date of this report and, accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Action plan to address the material uncertainties relating to going concern

The Company had taken and continue to implement the measures as further detailed in note 2 to the interim condensed consolidated financial statements and listed below:

(i) Obtaining new source of finance to improve working capital requirements

The Company and Goldbond Group Holdings Limited ("**Goldbond**"), a substantial shareholder with significant influence of the Company, entered into a loan agreement pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK$50,000,000 to fund the general working capital of the Company, (the "**Goldbond Loan Agreement**"), and its maturity date is 20 October 2024. The Group also renewed loan facility from a related company, with an aggregate facilities amount of RMB40,000,000 (equivalent to approximately HK$43,478,000), and its maturity will be on 1 July 2024. As at 30 September 2023 and the date of issuance of this interim report, the total facilities amount of HK$35,634,000 and HK$32,946,000, respectively, as stand-by un-utilised and available facilities. Besides, the directors of the Company are also negotiating and obtaining new loan facilities with other sources of finance when necessary.

(ii) Successful execution of a subscription agreement and capitalisation of certain specified liabilities

The Group could improve its financial position upon successful execution of the share subscription agreement between the Company and Goldbond, in which certain number of shares of the Company to be further issued so as to offset against the certain liabilities of the Group, including the outstanding carrying amount due to Goldbond by the Company of approximately HK$26,357,000 and outstanding carrying amount of unsecured loan note of HK$11,599,000 issued by the Company to Goldbond with the principal amount of approximately HK$13.2 million (carried at a coupon rate of 4.58% per annum with the maturity date falling on 3 March 2025) and the related accrued and unpaid interests. For details, please refer to the Company and Goldbond's joint announcements dated 30 October 2023 and 20 November 2023; and

(iii) Implementation of active cost-saving measures

The Group continues to take active measures to control administrative costs through various channels to improve operating cash flows and its financial position.

Based on the above plans and measures, the directors of the Company are of the opinion that the Group will have sufficient working capital to satisfy its requirements for at least the next twelve months from the date of this report and, accordingly, the directors of the Company are satisfied that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

BUSINESS REVIEW AND PROSPECTS

During the Reporting Period, the Group continued to make strides in implementing its strategic plan initiated in the previous year and have continued to expand our leasing operations in the People's Republic of China ("PRC") and established a stronger presence in multiple locations. This expansion has allowed us to diversify our business risks and tap into new markets, further strengthening our position in the industry. In addition to our leasing operations, the Group has continued to enhance its ecosystem by providing value-added services such as credit assessment, investigation, and debt recovery services. These services not only complement our leasing operations but also generate additional revenue streams, they also contribute to the Group's overall growth and operational synergies. While achieving synergies across multiple platforms, the Group will continue to focus on our business with generally smaller loan amounts and more diversified business risks during the current economic downturn, and thereby enhancing the Group's efficiency and profitability.

Looking forward, while there has seen some improvement in the Group's operation, the lingering effects of the downturn economy due to pandemic and political instability have continued to impact our operations, including the financial conditions and cash flow of our leasing customers. Despite these challenges, the Group has remained resilient and will maintain its commitment to expanding our leasing operations, recovering past due receivables, and further mitigating business risks. The Board recognizes the importance of diversifying income sources and will continue to explore opportunities to enhance and nurture synergies within our ecosystem. As the general economic environment in the PRC and the global political uncertainties improve, we are confident in our ability to drive sustainable growth and generate value for our Shareholders.

The Group is committed to promote good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**Listing Rules**"). During the Reporting Period, except as disclosed in this report, the Company had complied with all code provisions in the CG Code and had adopted most of the recommended best practices set out in the CG Code except for the following:

As at the date of this report, the Company does not have a chairman of the Board (the "**Chairman**") to discharge the duties as required under CG Code C.2.2 to C.2.9. The daily operation and management of the Company are monitored by the executive Director as well as the senior management of the Company (the "**Senior Management**"). The Board is of the view that although there is no Chairman, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting the operation of the Company and the Group. This arrangement can still enable the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently and effectively in response to the changing environment. Also, CG Code F.2.2 stipulates that the Chairman should attend the annual general meeting. As the position of the Chairman was vacant as at the date of the annual general meeting held on 19 September 2023, Ms. Wong Emilie Hoi Yan, the executive Director and chief executive officer of the Company, was appointed as the chairman of the annual general meeting to answer and address questions raised by the shareholders at the annual general meeting. The Company will, at the appropriate time, arrange for the election of a Chairman.

Following the retirements of Mr. Yu Yang ("**Mr. Yu**") as the Independent Non-executive Directors with effect from the conclusion of the annual general meeting of the Company held on 31 October 2022 ("**2022 AGM**"), the Board has only two Independent Non-executive Director which fell short of the minimum number (namely three Independent Non-executive Directors) and proportion (namely one-third of the Board) as required under Rule 3.10(1) and Rule 3.10A of the Listing Rules.

The required composition of the Audit Committee, Remuneration Committee and Nomination Committee did not meet the requirements under Rule 3.21, Rule 3.25 and Rule 3.27A of the Listing Rules upon conclusion of the 2022 AGM:

i. the Audit Committee did not have a chairman and comprised of two non-executive Directors and two Independent Non-executive Directors, which failed to comply with the requirement of Rule 3.21 of the Listing Rules in respect of having a majority members being Independent Non-executive Directors;

ii. the Remuneration Committee comprised of two non-executive Directors and two Independent Non-executive Directors, which failed to comply with the requirement of Rule 3.25 of the Listing Rules in respect of having a majority members being Independent Non-executive Directors; and

iii. the Nomination Committee comprised of two non-executive Directors and two Independent Non-executive Directors, which failed to comply with the requirement of Rule 3.27A of the Listing Rules in respect of having a majority members being Independent Non-executive Directors.

With effect from 28 April 2023:

i. Mr. Lau Hiu Fung ("**Mr. Lau**") has been appointed as a non-executive Director; and

ii. Mr. Ng Yuk Yeung Paul ("**Mr. Paul Ng**") has been appointed as an independent non-executive Director.

With effect from 28 April 2023, the composition of the Board committees has been changed as follows:

1. Mr. Lau has been appointed as a member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee of the Company;

2. Mr. Paul Ng has been appointed as a member of the Audit Committee, a member of the Nomination Committee and a member of Remuneration Committee; and

3. Mr. Lie Chi Wing ("**Mr. Lie**"), an existing Independent Non-executive Director, has been appointed as the chairman of the Audit Committee.

Following the appointments of Mr. Paul Ng, Mr. Lau and Mr. Lie, the Company is now in compliance with Rule 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

COMPOSITION AND RESPONSIBILITIES OF THE BOARD

As at the date of this report, the Board consists of eight Directors, comprising one executive Director (the "**Executive Director**"), four non-executive Directors (the "**Non-executive Directors**" and each a "**Non-executive Director**") and three independent Non-executive Directors ("**INEDs**").

The Board is responsible for the setting of the Company's corporate strategies, supervising and monitoring its implementation, review of the overall operations and financial performance of the Group, and making decisions in major aspects of the Company's matters including but not limited to the approval and adoption of key policies, material transactions, business plans, annual budgets, internal control, risk management, annual and interim results.

The Board is entrusted with the overall responsibility of monitoring the Company's business and affairs and ultimately responsible for the management of the Company which is delegated to the Chairman, the chief executive officer (the "**Chief Executive Officer**") and the Senior Management. The roles of the Chairman and the Chief Executive Officer are separated.

The Chairman is responsible for the proposing and reviewing of corporate directions and strategies of the Group, while the Chief Executive Officer works with the Senior Management team to ensure proper implementation of these strategies throughout the development of the Group. The Chief Executive Officer and Senior Management are responsible for the day-to-day operations of the Group under the leadership of the Chairman.

Ms. Wong Emilie Hoi Yan ("**Ms. Emilie Wong**") is currently the Chief Executive Officer, while the position of the Chairman remains vacant. The daily operation and management of the Company is monitored by the Executive Director as well as the Senior Management. The Board is of the view that although there is no Chairman, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting the operation of the Company and the Group. This arrangement can still enable the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently and effectively in response to the changing environment. The Company will, at the appropriate time, arrange for the election of a Chairman.

Each of the Non-executive Directors is appointed for a specific term which may be extended as each of the Non-executive Directors and the Company may agree, unless previously terminated in accordance with the terms and conditions of the relevant letter of appointment or director's service contract. Pursuant to the second amended and restated memorandum and articles of association of the Company as adopted by a special resolution passed on 31 October 2022 (the "**Articles**"), at each annual general meeting one-third of the Directors for the time being, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

BOARD DIVERSITY POLICY

On 18 December 2015, the Company adopted the board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve diversity on the Board in order to enhance quality of its performance. On 2 May 2019, the Company has adopted a series of terms of reference for the Board committees in compliance with the regulations contained in the Companies Law of the Cayman Islands, the Listing Rules and the Articles. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In reviewing and assessing the Board composition, its diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and education background, professional qualifications, skills, knowledge, industry and regional experience. The Company aims to maintain an appropriate balance of diverse perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The Board may adopt and/or amend from time to time as applicable such perspectives that are appropriate to the Company's business and the Board succession planning as applicable.

BOARD COMMITTEES

The Company established four Board committees on 18 December 2015, namely the audit committee (the "**Audit Committee**"), the nomination committee (the "**Nomination Committee**"), the remuneration committee (the "**Remuneration Committee**") and the risk management committee (the "**Risk Management Committee**"). The terms of reference of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee are posted on the websites of the Company and the Stock Exchange.

Audit Committee

The Audit Committee was established on 18 December 2015. On 2 May 2019, the Company has adopted a terms of reference of the Audit Committee in compliance with the regulations contained in the Companies Law of the Cayman Islands, the Listing Rules and the Articles. The primary duties of the Audit Committee during the Reporting Period included but not limited to reviewing the Group's financial information, overseeing the Group's financial reporting system and internal control procedures, risk management system and maintaining relationship with the Group's external auditor and providing recommendations to the Board. As at the date of this report, the Audit Committee consisted of two Non-executive Directors: Mr. Lau and Mr. Wong Ming Bun David ("**Mr. David Wong**"); and three INEDs: Mr. Lie , Mr. Ng Wing Chung Vincent ("**Mr. Vincent Ng**") and Mr. Paul Ng. The chairman of the Audit Committee is Mr. Lie.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 September 2023 have been reviewed by the Audit Committee before they are duly approved by the Board under the recommendation of the Audit Committee.

Nomination Committee

The Nomination Committee was established by the Board on 18 December 2015. On 2 May 2019, the Company has adopted a director nomination policy in compliance with the CG Code (the "**Director Nomination Policy**"). The Board has delegated its authority and duties for matters relating to the selection and appointment of Directors to the Nomination Committee of the Company. During the Reporting Period, the Nomination Committee is responsible for the setting of the criteria and process in the nomination and appointment of Directors, ensuring the Board has a balance of skills and diversity of perspectives appropriate to the Company and to ensure the continuity and appropriate leadership in the Board. The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

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

As at the date of this report, the Nomination Committee consists of two Non-executive Directors: Mr. Lau and Ms. Wong Michelle Yatyee ("**Ms. Michelle Wong**"); and three INEDs: Mr. Lie, Mr. Vincent Ng and Mr. Paul Ng. The chairman of the Nomination Committee is Mr. Vincent Ng.

Remuneration Committee

The Remuneration Committee was established by the Board on 18 December 2015 with written terms of reference in compliance with the Listing Rules and the CG Code. The primary duties of the Remuneration Committee during the Reporting Period included but not limited to regularly monitoring of the remuneration of all the Directors and Senior Management to ensure that levels of their remuneration and compensation are appropriate, to assess the performance of the Executive Director and to approve the terms of Executive Director's service contracts and to make recommendations to the Board on the remuneration packages of individual Executive Director and Senior Management. As at the date of this report, the Remuneration Committee consists of two Non-executive Directors: Mr. Lau and Ms. Michelle Wong; and three INEDs: Mr. Lie, Mr. Vincent Ng and Mr. Paul Ng. The chairman of the Remuneration Committee is Mr. Vincent Ng.

Risk Management Committee

The Risk Management Committee was established by the Board on 18 December 2015. The primary duties of the Risk Management Committee during the Reporting Period were to formulate and monitor the implementation of our major risk management policies and systems, ensure necessary measures are adopted by the Senior Management to identify, evaluate, measure, detect, control and mitigate risks and conduct regular review on the risk management reports submitted by the Senior Management. It is also in charge of reviewing the feasibility, risk prevention and mitigation measures of finance leasing projects larger than RMB20.0 million and other risk-related issues in our operations that may have a material impact on our business. As at the date of this report, the Risk Management Committee consists of one Executive Director: Ms. Emilie Wong; two Non-executive Directors: Ms. Michelle Wong and Mr. David Wong; and one INED: Mr. Vincent Ng. The chairman of the Risk Management Committee is Ms. Emilie Wong.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company has made specific enquiries with all of the Directors, each of whom has confirmed that he/she has, throughout the Reporting Period, complied with the required standards set out therein.

DIRECTORS' RESPONSIBILITY OF FINANCIAL REPORTING

The Directors acknowledge their responsibility for the preparation of financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and the related interpretations, adjustments and estimates made are prudent and reasonable and the financial statements have been prepared on a going concern basis. The Directors are aware of significant uncertainties which may cast doubt about the Group's ability to continue as going concern as set out in note 2 in the interim condensed consolidated financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the responsibility to maintain an effective risk management and internal control system in order to safeguard the Group's assets and investments and the Shareholders' interest. The Board reviews the effectiveness of the Group's risk management and internal control system at least once a year. The Company had engaged an external independent internal audit service provider to review the effectiveness of the Group's internal control system on financial reporting, operation and compliance. The relevant assessment and review reports with strengths and recommendations for improvements were presented to the Audit Committee and the Board for assessing the effectiveness of the risk management and internal control system. The Audit Committee has also reviewed the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions performed by the external independent internal audit service provider. The Board, through the reviews and recommendations made by the external independent internal audit service provider and the Audit Committee, concluded that the risk management and internal control systems are effective and adequate for the Group.

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

As at 30 September 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)(the "**SFO**") which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company 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:

Interest in ordinary shares ("Shares") /underlying Shares of the Company

		Number of Shares/underlying Shares (Note 1)				
Name of Director	**Capacity/ nature of interest**	**Personal Interest**	**Corporate Interest**	**Other Interest**	**Total Interest**	**Approximate % of issued shares**
Ms. Wong Emilie Hoi Yan ("**Ms. Emilie Wong**")	Beneficial owner	400,000 (L) (Note 5)	–	–	400,000 (L)	0.1%
Ms. Wong Jacqueline Yue Yee ("**Ms. Jacqueline Wong**")	Beneficial owner/ Interest of controlled corporations/founder of a discretionary trust and beneficiary of a trust	400,000 (L) (Note 5)	20,234,242 (L) (Note 2)	168,555,903 (L) (Note 3)	189,190,145 (L)	44.96%
	Beneficiary of a trust	–	–	38,503,380 (S) (Note 4)	38,503,380 (S)	9.15%
Ms. Wong Michelle Yatyee ("**Ms. Michelle Wong**")	Beneficial owner/ Interest of controlled corporations and beneficiary of a trust	400,000 (L) (Note 5)	20,234,242 (L) (Note 2)	168,555,903 (L) (Note 3)	189,190,145 (L)	44.96%
	Beneficiary of a trust	–	–	38,503,380 (S) (Note 4)	38,503,380 (S)	9.15%
Mr. Wong Ming Bun David ("**Mr. David Wong**")	Beneficial owner	4,000,000 (L) (Note 5)	–	–	4,000,000 (L)	0.95%
Mr. Lie Chi Wing ("**Mr. Lie**")	Beneficial owner	22,000 (L) (Note 5)	–	–	22,000 (L)	0.01%
Mr. Ng Wing Chung Vincent ("**Mr. Vincent Ng**")	Beneficial owner	22,000 (L) (Note 5)	–	–	22,000 (L)	0.01%

Notes:

1. The letters "L" and "S" denote the Directors' long position and short position in the Shares or underlying Shares of the Company respectively.

2. Such interests include 10,127,176 Shares held by Legend Crown International Limited ("**Legend Crown**") and 10,107,066 Shares held by Plenty Boom Investments Limited ("**Plenty Boom**"). Ms. Jacqueline Wong founded the discretionary trust (the "**Ace York Management Trust**") of which the property included the entire issued share capital of Legend Crown and Plenty Boom. The trustee of the Ace York Management Trust is Ace York Investment Management Limited ("**Ace York Management**", a company owned as to 50% by Ms. Jacqueline Wong and 50% by Ms. Michelle Wong), where the beneficiaries are Ms. Jacqueline Wong and Ms. Michelle Wong and their respective issue(s). By virtue of the above, Ms. Jacqueline Wong, Ms. Michelle Wong and Ace York Management are taken to have a duty of disclosure in relation to the said Shares held by Legend Crown and Plenty Boom under the SFO.

3. Such Shares include (i) 143,805,903 Shares held by Perfect Honour Limited ("**Perfect Honour**"), which is a wholly owned subsidiary of Goldbond Group Holdings Limited ("**Goldbond**"); and (ii) 24,750,000 Shares that Goldbond was directly interested in. On 4 March 2022, the Company issued convertible bonds in an aggregate principal amount of HK$3,811,500 at a conversion price of HK$0.154 per conversion share to Goldbond, in which a maximum of 24,750,000 new Shares will be allotted and issued to Goldbond upon conversion of such convertible bonds. Mr. Wong Charles Yu Lung ("**Mr. Wong**") and Mrs. Wong Fang Pik Chun ("**Mrs. Wong**"), parents of Ms. Michelle Wong and Ms. Jacqueline Wong established the Allied Luck Trust (as defined below) and Ms. Michelle Wong and Ms. Jacqueline Wong established the Aceyork Trust (as defined below), where both Ms. Jacqueline Wong and Ms. Michelle Wong and their respective issue(s) are the beneficiaries of such trusts. The assets of the Allied Luck Trust include all the Goldbond's shares held by Allied Luck Trading Limited ("**Allied Luck**", a company wholly-owned by the Allied Luck Trust), being approximately 30.99% of the total issued share capital of Goldbond, (the "**Allied Luck Trust**"), and the assets of the Aceyork Trust included all the Goldbond's shares held by Ace Solomon Investments Limited ("**Ace Solomon**") being approximately 26.06% of the total issued share capital of Goldbond. Ace Solomon is a company jointly owned by Allied Golden Investment Limited ("**Allied Golden**") and Aceyork Investment Limited ("**Aceyork**"), which (in each of the cases of Allied Golden and Aceyork) in turn are wholly-owned by the Aceyork Trust (the "**Aceyork Trust**"). Ms. Jacqueline Wong and Ms. Michelle Wong being beneficiaries of the Allied Luck Trust and the Aceyork Trust, in turn, holds approximately 34.86% of the issued share capital of the Company through Perfect Honour. By virtue of the above, Ms. Jacqueline Wong and Ms. Michelle Wong are taken to have a duty of disclosure in relation to the said Shares held by Perfect Honour under the SFO.

4. On 3 May 2018, Solomon Glory Limited ("**Solomon Glory**"), which is a wholly owned subsidiary of Goldbond, as lender, enforced its rights under the security of a loan agreement pursuant to which Yong Hua International Limited ("**Yong Hua**") has charged its assets including the shares (the "**Charged Shares**") of the Company held by Yong Hua by way of floating charge, which has been crystalised into a fixed charge. On 2 July 2019, the Board was notified that an order was issued on 13 March 2019 by The High Court of The Hong Kong Special Administrative Region to the effect that, among others, the Charged Shares shall be sold by China Galaxy International Securities (Hong Kong) Co., Limited (as agent) provided that each of the Charged Shares shall not be sold at a price of more than 10% discount to the average closing prices of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited for the previous 10 consecutive trading days prior to the date of sale of the Charged Shares or any of them.

5. These interests represent the interests in underlying Shares in respect of the share options granted by the Company to these Directors.

6. As at 30 September 2023, there was a total of 420,759,000 Shares in issue.

Save as disclosed above, as at 30 September 2023, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OR DEBENTURES

So far as the Directors are aware as of 30 September 2023, the following persons (other than the Directors or chief executive of the Company) had the following interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Interest in the Shares/underlying Shares of the Company

Name of substantial shareholder	Capacity/nature of interest	Number of Shares/ underlying Shares (Note 1)	Total Interest	Approximate % of issued shares
Ms. Wong Jacqueline Yue Yee ("**Ms. Jacqueline Wong**")	(i) Beneficial owner	400,000 (L) (Note 2)		
	(ii) Interest in controlled corporations/founder of a discretionary trust	20,234,242 (L) (Note 3)		
	(iii) Beneficiary of a trust	168,555,903 (L) (Note 4)	189,190,145 (L)	44.96%
	(iv) Beneficiary of a trust	38,503,380 (S) (Note 5)		9.15%
Ms. Wong Michelle Yatyee ("**Ms. Michelle Wong**")	(i) Beneficial owner	400,000 (L) (Note 2)		
	(ii) Interest in controlled corporations	20,234,242 (L) (Note 3)		
	(iii) Beneficiary of a trust	168,555,903 (L) (Note 4)	189,190,145 (L)	44.96%
	(iv) Beneficiary of a trust	38,503,380 (S) (Note 5)		9.15%
Mr. Kwok Gareth Wing-Sien	Interest of Spouse	189,190,145 (L) (Note 6)		44.96%
	Interest of Spouse	38,503,380 (S) (Note 6)		9.15%
Mr. Wong Charles Yu Lung ("**Mr. Wong**")	Trustee	168,555,903 (L) (Note 4)		40.06%
	Trustee	38,503,380 (S) (Note 5)		9.15%
Mrs. Wong Fang Pik Chun ("**Mrs. Wong**")	Trustee	168,555,903 (L) (Note 4)		40.06%
	Trustee	38,503,380 (S) (Note 5)		9.15%

Name of substantial shareholder	Capacity/nature of interest	Number of Shares/ underlying Shares (Note 1)		Total Interest		Approximate % of issued shares
Goldbond Group Holdings Limited ("**Goldbond**")	Interest in controlled corporation	143,805,903 (Note 4)	(L)			
	Beneficial owner	24,750,000 (Note 4)	(L)	168,555,903		40.06%
	Interest in controlled corporation	38,503,380 (Note 5)	(S)			9.15%
Perfect Honour Limited ("**Perfect Honour**")	Beneficial owner	143,805,903 (Note 4)	(L)			34.18%
Solomon Glory Limited ("**Solomon Glory** ")	Having a security interest in shares	38,503,380 (Note 5)	(S)			9.15%
Mr. Xie Xiaoqing ("**Mr. Xie**")	Interest in controlled corporation	12,704,220 (Note 7)	(L)			
	Interest in controlled corporation	38,503,380 (Note 8)	(L)	51,207,600	(L)	12.17%
	Interest in controlled corporation	38,503,380 (Note 8)	(S)			9.15%
Yong Hua International Limited ("**Yong Hua**")	Beneficial Owner	38,503,380 (Note 8)	(L)			9.15%
	Beneficial Owner	38,503,380 (Note 8)	(S)			9.15%
Mr. Lee Cheuk Yin Dannis ("**Mr. Lee**")	Beneficial owner	23,168,148	(L)			5.51%
Ms. Yeung Nam	Interest of spouse	23,168,148 (Note 9)	(L)			5.51%

Notes:

1. The letters "L" and "S" denote a person's/an entity's long position and short position in the Shares or underlying Shares of the Company respectively.

2. These interests represent the interests in underlying Shares in respect of the share options granted by the Company to these Substantial Shareholders.

3. The two references to the 20,234,242 Shares relate to the same block of Shares held by Legend Crown and Plenty Boom. Please refer to Note 2 on page 49 of this report for further details. By virtue of the above, Ms. Jacqueline Wong and Ms. Michelle Wong are taken to have duty of disclosure in relation to these Shares held by Legend Crown and Plenty Boom.

4. The six references to the 168,555,903 Shares relate to the same block of Shares held by Perfect Honour and 24,750,000 Shares that Goldbond was directly interest in. Please refer to Note 3 on page 49 of this report for further details. By virtue of the above, Ms. Jacqueline Wong, Ms. Michelle Wong, Mr. Wong, Mrs. Wong, Perfect Honour and Goldbond are taken to have a duty of disclosure in relation to these Shares held by Perfect Honour.

5. The six references to the 38,503,380 Shares relate to the same block of Shares held by Solomon Glory. Please refer to Note 4 on page 49 of this report for further details. By virtue of the above, Ms. Jacqueline Wong, Ms. Michelle Wong, Mr. Wong, Mrs. Wong, Solomon Glory and Goldbond are taken to have a duty of disclosure in relation to these Shares held by Solomon Glory.

6. Mr. Kwok Gareth Wing-Sien, the spouse of Ms. Michelle Wong, is deemed to be interested in Ms. Michelle Wong's interest in the Company.

7. Such interests include 2,117,370 Shares held by Capital Grower Limited ("**Capital Grower**"), and 10,586,850 Shares held by Clifton Rise International Limited ("**Clifton Rise**"), which are all companies owned as to 100% by Mr. Xie. By virtue of the above, Mr. Xie is taken to have a duty of disclosure in relation to the said Shares held by Capital Grower and Clifton Rise under the SFO.

8. Such Shares are held by Yong Hua, a company owned as to 100% by Mr. Xie. Please refer to Note 4 on page 49 of this report for further details. By virtue of the above, Mr. Xie is taken to have a duty of disclosure in relation to the said Shares held by Yong Hua under the SFO.

9. Ms. Yeung Nam, the spouse of Mr. Lee, is deemed to be interested in Mr. Lee's interest in the Company.

10. As at 30 September 2023, there was a total of 420,759,000 Shares in issue.

Save as disclosed above, as at 30 September 2023, the Directors were not aware of any person who had an interest or short position in the Shares and the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

*Expressions used in the sections headed "Connected Persons", "Exempt Continuing Connected Transactions", "Non-Competition Deeds" and "Deed of Undertaking" shall have the same meanings given to them in the Company's prospectus dated 18 January 2016 (the "**Prospectus**")*

CONTINUING CONNECTED TRANSACTIONS

CONNECTED PERSONS

Rongzhong Group Limited ("Rongzhong Group")

Goldbond, as our Controlling Shareholder, is indirectly interested in 40.00% of the issued share capital in Rongzhong Group. Rongzhong Group is therefore a connected person of the Company.

Wuhan Rongzhong Internet Technology Company Limited, Rongzhong Capital Investments Group Limited

Mr. Xie, one of the Substantial Shareholders of the Company and a director of the Company's subsidiary, is directly interested in 100.00% and 98.21% respectively of the issued share capital of Wuhan Rongzhong Internet Technology Company Limited 武漢融眾網絡技術有限公司 ("**Rongzhong Internet**"), and Rongzhong Capital Investments Group Limited 融眾資本投資集團有限公司 ("**Rongzhong Capital Investments**"). Rongzhong Capital Investments (also referred to as joint venture of a major shareholder in the consolidated financial statements) wholly-owns Wuhan Rongzhong Investment Guarantee Company Limited 武漢欣眾融企業管理有限公司(formerly known as 武漢市融眾投資擔保有限公司)("**Wuhan Rongzhong**"). Pursuant to the Listing Rules, Rongzhong Internet, Rongzhong Capital Investments and Wuhan Rongzhong are associates of Mr. Xie and therefore are connected persons of the Company.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Loan Agreements

On 21 October 2021, the Company and Goldbond entered into a loan agreement pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK$50,000,000 to fund the general working capital of the Company, at 6% per annum and maturity on the third anniversary of the first drawdown date (the "**Goldbond Loan Agreement**"). The availability period commenced on the date of the Goldbond Loan Agreement and will end on the earlier of three years after the date of the Goldbond Loan Agreement; or the date on which the facility is fully drawn, cancelled or terminated. As at 30 September 2023, the balance due to Goldbond, is approximately HK$26.1 million (31 March 2023: HK$21.3 million) and the balance due to related party, is approximately HK$10.9 million (31 March 2023: HK$14.5 million).

For details, please refer to the Company's announcement dated 21 October 2021.

On 1 July 2020 and 15 November 2021, a loan agreement and a supplementary loan agreement were entered between a non-wholly own subsidiary of the Company and Shanghai Nanlang Finance Lease Co., Ltd., an indirectly owned subsidiary of Goldbond, (the "**SHNL Loan Agreements**"), with carried interest at 4.5% per annum and repayable on the third anniversary from the first date of loan drawn. On 28 June 2023, the Group entered into another supplementary agreement with Shanghai Nanlang and the maturity date of the loan facilities was further extended to 1 July 2024. As at 30 September 2023, amount due to Shanghai Nanlang of approximately HK$23,210,000 was carried interest at 5% per annum, which was payable within twelve months from the date of the end of its reporting period and hence the amount was classified as current. As at 30 September 2023, the balance due to related party is approximately HK$23.2 million (31 March 2023: HK$28.7 million), the corresponding interest expenses were recognized as "finance costs" in the consolidated statement of profit or loss and other comprehensive income for the Reporting Period.

For details, please refer to the Company's circular dated 24 January 2022.

As Goldbond is the controlling shareholder of the Company which is interested in approximately 40.06% of the issued share capital of the Company and hence a connected person of the Company. As the facility is provided by a connected person of the Company on normal commercial terms or better without security over the assets of the Group, it is a connected transaction fully exempted under Rule 14A.90 of the Listing Rules from shareholders' approval, annual review and all disclosure requirements.

NON-COMPETITION DEEDS

In order to protect the Group from potential competition from our Shareholders, on 18 December 2015, the Company had entered into a deed of non-competition with each of the following parties respectively (collectively as the "**Deeds of Non-Competition**"):

a. Rongzhong Group (other than through a member of the Group);

b. Mr. Wong, Mrs. Wong, Legend Crown and Plenty Boom (except for Rongzhong Group and its close associates); and

c. Mr. Xie, Yong Hua, Clifton Rise and Capital Grower (except Rongzhong Group and its close associates),

collectively referred to as the "**Covenantors**" and each "**Covenantor**".

Each of the Covenantors has given an irrevocable non-competition undertaking in favour of the Company pursuant to which each of the Covenantors, among other matters has irrevocable and unconditionally undertaken to the Company on a several basis that at any time during the Relevant Period (as defined below), it shall, and shall procure that its subsidiaries and/or close associates:

(i) not, directly or indirectly, be interested or involved or engaged in or acquire or hold any right or interest (in each case whether as a director or shareholder, other than being a director or shareholder of the Group, partner, agent or otherwise and whether for profit, reward or otherwise) in any business which competes or is likely to compete directly or indirectly with the finance leasing business currently and from time to time engaged by the Group including but not limited to the provision of direct leasing, sale leaseback and financial leasing related advisory services to SMEs in the PRC (the "**Restricted Activity**") (other than the small loan business operated by Yancheng Goldbond Supply Chain Management Company Limited (formerly known as Yancheng Goldbond Technology Small Loan Company Limited, "**Yancheng Goldbond**") and Rongzhong Credit (Hubei) Limited (the "**Rongzhong Small Loan**")), unless pursuant to the exception set out below;

(ii) not to solicit any existing employee of the Group for employment by it or its subsidiaries and/or close associates (as applicable) (excluding members of the Group);

(iii) not, without the consent from the Company, make use of any information pertaining to the business of the Group which may have come to its knowledge in its capacity as our Controlling Shareholder or Director for any purpose of engaging, investing or participating in any Restricted Activity;

(iv) if there is any project or new business opportunity that relates to the Restricted Activity, refer such project or new business opportunity to the Group for consideration;

(v) not to invest or participate in any Restricted Activity unless pursuant to the exceptions set out below; and

(vi) to procure its subsidiaries and/or its close associates (as applicable) (excluding members of the Group) not to invest or participate in any project or business opportunity of the Restricted Activity, unless pursuant to the exceptions set out below.

New business opportunity

Save for the situations as set out in the paragraphs headed "Customer referral obligation" and "Conflict check obligation", each of the Covenantors has unconditionally and irrevocably undertaken to us that in the event that it or its subsidiaries and/or its close associates (as applicable) (other than members of the Group) (the "**Offeror**") is given or identified or offered any business investment or commercial opportunity which directly or indirectly competes, or may lead to competition with the Restricted Activity (the "**New Opportunities**"), it will and will procure its subsidiaries and/or its close associates to refer the New Opportunities to us as soon as practicable in the following manner:

(i) each of the Covenantors is required to, and shall procure its subsidiaries and/or its close associates (as applicable) (other than members of the Group) to refer, or to procure the referral of, the New Opportunities to us, and shall give written notice to us of any New Opportunities containing all information reasonably necessary for us to consider whether (a) such New Opportunities would constitute competition with the Restricted Activity; and (b) it is in the interest of the Group and the Shareholders as a whole to pursue such New Opportunities, including but not limited to the nature of the New Opportunities and the details of the investment or acquisition costs (the "**Offer Notice**"); and

(ii) the Offeror will be entitled to pursue the New Opportunities only if (a) the Offeror has received a notice from us declining the New Opportunities; or (b) the Offeror has not received such notice from us within 10 Business Days from our receipt of the Offer Notice. If there is a material change in the terms and conditions of the New Opportunities pursued by the Offeror, the Offeror will refer the New Opportunities as so revised to us in the manner as set out above.

Upon receipt of the Offer Notice, we will seek opinions and decisions from the INEDs who and will form an independent board committee (the "**Independent Board Committee**") as to whether (a) such New Opportunities would constitute competition with the Restricted Activity; and (b) it is in the interest of the Group and the Shareholders as a whole to pursue the New Opportunities.

On or about 12 June 2020, the Company received a notice (the "**Notice**") issued by certain covenantors with reference to a deed of non-competition dated 18 December 2015 (the "**Deed of Non-Competition**") containing particulars of two proposed acquisitions. Upon receipt of the Notice, the Company formed an independent board committee in accordance with the Deed of Non-competition. For details, please refer to the Company's announcement dated 2 July 2020.

Right of first refusal

Where any of the Covenantors (or any of its subsidiaries and/or its close associates) (as applicable) (other than members of the Group) has acquired a business investment or an interest in any entity relating to the Restricted Activity (the "**Acquired Entity**") pursuant to the paragraph headed "New business opportunity" above, the relevant Covenantor and/or its subsidiaries and/or its close associates (as applicable) (other than members of the Group) shall provide us with a right of first refusal (the "**Right of First Refusal**") for a duration of one month to acquire any such Restricted Activity if they intend to dispose any equity interest in the Acquired Entity. Where the Independent Board Committee of the Company decides to waive the Right of First Refusal by way of written notice, the relevant Covenantor and/or its subsidiaries and/or its close associates (as applicable) may offer to sell such Restricted Activity to other third parties on such terms which are no more favorable than those made available to the Group. In deciding whether to exercise the above options, the Directors will consider various factors including the purchase price, the nature of the products and services and their values and benefits, as well as the benefits that they will bring to the Group.

Customer referral obligation

If a significant amount of the collateral provided by any of the new customer of Rongzhong Small Loan are within the scope of the Permitted Leased Assets, Rongzhong Group shall procure Rongzhong Small Loan to use its best endeavors to conduct due diligence on the new customer before entering into any agreement with the new customer to check whether (i) the ownership of the collateral are capable of being transferred and (ii) the new customer is willing to transfer the ownership of the collateral as security for loan until repayment of loan, which are essential to the creation of a lessee-lessor relation under finance leasing, and if items (i) and (ii) are satisfied, Rongzhong Group shall procure Rongzhong Small Loan to refer the new customer to the Group by written notice (the "**Written Notice**") and that Rongzhong Small Loan will be entitled to enter into an agreement with the new customer only if (a) it has received a notice from us declining to provide services to the new customer; or (b) it has not received such notice from us within three (3) Business Days from our receipt of the Written Notice.

Conflict check obligation

Rongzhong Group shall procure Rongzhong Small Loan to check the customers list provided by the Company to it on a monthly basis to ensure that the new customer is not one of Rongzhong PRC's existing customers before entering into any agreement with the new customer. In the event that the new customer is one of Rongzhong PRC's existing customers, Rongzhong Group shall procure Rongzhong Small Loan to inform us of the proposed transaction (including the particulars of the proposed transaction and the new customer) and that Rongzhong Small Loan shall refrain from entering into an agreement with the new customer until and unless the Risk Management Committee of the Company has completed an evaluation on the new customer and is satisfied that Rongzhong PRC is not qualified to provide finance leasing services to the new customer.

The Deeds of Non-competition shall not prevent each of the Covenantors and/or its subsidiaries and/or close associates (as applicable) to hold or have interest in shares or other securities in any company which conducts or is engaged in any Restricted Activity (the "**Subject Company**") provided that:

(a) the aggregate interests or number of shares held by the Covenantor (including its subsidiaries and/or its close associates) (as applicable) does not exceed 5.00% of the issued share capital of the Subject Company; and

(b) neither the Covenantor nor its subsidiaries and/or close associates (as applicable) has board or management control of the Subject Company.

For the above purpose, the "**Relevant Period**" means the period commencing from the Listing Date and shall expire on the earlier of the dates below:

(i) in respect of:

(a) Mr. Wong, Mrs. Wong, Plenty Boom and Legend Crown, the date on which Mr. Wong and Mrs. Wong, individually or taken as a whole, cease to be our Controlling Shareholders;

(b) Mr. Xie, Yong Hua, Clifton Rise and Capital Grower, the date on which they and their respective subsidiaries, individually or taken as a whole, cease to be our Substantial Shareholders; and

(c) Rongzhong Group, the date on which Goldbond and Perfect Honour cease to be our Controlling Shareholders; or

(ii) the date on which the Shares cease to be listed on the Stock Exchange or (if applicable) other stock exchange.

Each of the Covenantor confirms that he/she/it has each complied with the terms of his/her/its Deed of Non-competition respectively.

DEED OF UNDERTAKING

Although the geographic location, approval requirements, potential customers and under the qualification of the currently applicable PRC laws differentiate the Group with the small loan business operated by Yancheng Goldbond, however, in order to ensure that there are no conflicts and competition between the business of the Group and Yancheng Goldbond, the Company and Goldbond have entered into a Deed of Undertaking on 18 December 2015 pursuant to which Goldbond has irrevocably and unconditionally undertaken to the Company that it shall procure Yancheng Goldbond to check the customers list provided by the Company to it on a monthly basis to ensure that Yancheng Goldbond's new customer is not one of Rongzhong PRC's existing customers before entering into agreement with the new customer. Where the new customer is one of Rongzhong PRC's existing customers, Goldbond shall procure Yancheng Goldbond to inform us of the proposed transaction (including the particulars of the proposed transaction and the new customer) to enable the Risk Management Committee to evaluate whether Rongzhong PRC is qualified to take on the new customer and the benefits of such business opportunities will bring to us. In the event that the Group is qualified and is interested in taking on the new customer, both Yancheng Goldbond and the Group may pitch to the new customer and Yancheng Goldbond is only entitled to enter into an agreement with the new customer if the new customer selects its service over those of Rongzhong PRC and or other service providers (if applicable). In the event that Rongzhong PRC is not qualified or is not interested in taking on the new customer, Yancheng Goldbond may proceed to enter into an agreement with the new customer ("**Goldbond's Conflict Check Undertaking**").

In consideration of Goldbond's Conflict Check Undertaking, the Company has also irrevocably and unconditionally undertaken to Goldbond that the Company shall procure Rongzhong PRC to check the customers list provided by Goldbond to it on a monthly basis to ensure that Rongzhong PRC's new customer is not one of Yancheng Goldbond's existing customers before entering into any agreement with the new customer. Where the new customer is one of Yancheng Goldbond's existing customers, the Company shall procure Rongzhong PRC to inform Goldbond of the proposed transaction (including the particulars of the proposed transaction and the new customer) to enable Goldbond to evaluate whether Yancheng Goldbond is qualified to take on the new customer and the benefits of such business opportunities will bring to Goldbond. In the event that Yancheng Goldbond is qualified and is interested in taking on the new customer, both Yancheng Goldbond and Rongzhong PRC may pitch to the new customer and Rongzhong PRC is only entitled to enter into an agreement with the new customer if the new customer selects its service over those of Yancheng Goldbond and or other service providers (if applicable). In the event that Yancheng Goldbond is not qualified or is not interested in taking on the new customer, Rongzhong PRC may proceed to enter into an agreement with the new customer (the "**Company's Conflict Check Undertaking**", together with Goldbond's Conflict Check Undertakings, collectively referred to as the "**Conflict Check Undertakings**").

The Conflict Check Undertakings commence from the listing date and shall expire on the earlier of the dates below:

(a) the date on which Goldbond or its subsidiaries, individually or taken as a whole, ceases to be a Controlling Shareholder of the Company; and

(b) the date on which the Shares cease to be listed on the Stock Exchange or (if applicable) other stock exchange.

Save as disclosed in this interim report, there has been no other transaction, arrangement or contract of significance subsisting during or at the end of the Reporting Period in which a Director or an entity connected with a Director is or was either directly or indirectly materially interested in.

APPOINTMENT OF DIRECTORS

With effect from 28 April 2023:

i. Mr. Lau Hiu Fung ("**Mr. Lau**") has been appointed as a non-executive Director; and

ii. Mr. Ng Yuk Yeung Paul ("**Mr. Paul Ng**") has been appointed as an independent non-executive Director.

With effect from 28 April 2023, the composition of the Board committees has been changed as follows:

1. Mr. Lau has been appointed as a member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee of the Company;

2. Mr. Paul Ng has been appointed as a member of the Audit Committee, a member of the Nomination Committee and a member of Remuneration Committee; and

3. Mr. Lie Chi Wing ("**Mr. Lie**"), an existing Independent Non-executive Director, has been appointed as the chairman of the Audit Committee.

For details, please refer to the Company's announcement dated 28 April 2023.

SHARE OPTION SCHEME

On 18 December 2015, the Company conditionally approved and adopted the share option scheme (the "**Share Option Scheme**") in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to provide any Directors and full time employees of any member(s) of our Group (the "**Participant(s)**") with the opportunity to acquire proprietary interest in our Company and to encourage them to work towards enhancing the value of our Company and its shares for the benefit of the Company and its Shareholders as a whole. On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules (in particular as to grant of options to Directors, chief executives and substantial shareholders of our Company or their respective associates), the Board shall be entitled at any time within 10 years after the date of adoption of the Share Option Scheme to make an offer for the grant of an option to any Participant as the Board may determine. The number of Shares which may be issued pursuant to the exercise of the options to be granted under the Share Option Scheme is 40,000,000 Shares in total.

Details of the movements of share options under the Share Option Scheme during the Reporting Period were as follows:

Grantee	Date of grant	Exercise price (HK$)	Closing price of the options shares immediately before the date of grant (HK$)	Exercise period (Note 2)	Outstanding at 31 March 2023 and 30 September 2023
Director					
Ms. Emilie Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	400,000
Ms. Jacqueline Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	400,000
Ms. Michelle Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	400,000
Mr. David Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	4,000,000
Mr. Lie	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	22,000
Mr. Ng	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	22,000
Eligible employees (in aggregate)	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	350,000
					5,594,000

Notes:

1 During the Reporting Period, no share options were granted, exercised or cancelled under the Share Option Scheme. The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of issued shares of the Company for the period is 0%, as no option or award was granted under all schemes of the Company during that period.

2 The minimum period for which a share option must be held before it can be exercised is the third anniversary of the date of grant.

EQUITY-LINKED AGREEMENTS

Particulars of convertible bonds of the Group as at 30 September 2023 are set out in note 21 to the interim condensed consolidated financial statements.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 27 September 2022. Based on the reason as disclosed in the Company's announcement dated 12 July 2023, the Board is of the view that all the Resumption Guidance has been fulfilled. Accordingly, the Company has made an application to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 13 July 2023.

By Order of the Board
Wong Emilie Hoi Yan
Executive Director

Hong Kong, 30 November 2023