

**UNITAS HOLDINGS LIMITED**

**宏海控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8020)**

**2023/2024**  
**ANNUAL REPORT**

## **CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

This report, for which the directors (the “Directors”) of UNITAS HOLDINGS LIMITED (the “Company” and together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or in this report misleading.

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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Ms. Ho Chiu Ha Maisy (*Chairlady*)

Mr. Lau Ling Tak

Ms. Man Wing Yee Ginny

### Independent Non-executive Directors

Dr. Chow Ho Wan, Owen

Mr. Siu Chi Yiu Kenny

Mr. Lee Chi Keung Jim

## REGISTERED OFFICE

Coden Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Flat C, 16/F.,

MG Tower,

133 Hoi Bun Road,

Kwun Tong,

Hong Kong

## AUTHORISED REPRESENTATIVES

Ms. Man Wing Yee Ginny

Mr. Lau Ling Tak

## COMPANY SECRETARY

Mr. Keung Tsz Kit

## COMPLIANCE OFFICER

Ms. Man Wing Yee Ginny

## AUDIT COMMITTEE

Dr. Chow Ho Wan, Owen (*Chairman*)

Mr. Siu Chi Yiu Kenny

Mr. Lee Chi Keung Jim

# Corporate Information

## REMUNERATION COMMITTEE

Mr. Siu Chi Yiu Kenny (*Chairman*)  
Mr. Lau Ling Tak  
Dr. Chow Ho Wan, Owen  
Mr. Lee Chi Keung Jim

## NOMINATION COMMITTEE

Mr. Siu Chi Yiu Kenny (*Chairman*)  
Mr. Lau Ling Tak  
Dr. Chow Ho Wan, Owen  
Mr. Lee Chi Keung Jim

## SHARE REGISTRAR AND TRANSFER AGENT IN HONG KONG

Union Registrars Limited  
Suites 3301-04, 33/F.  
Two Chinachem Exchange Square  
338 King's Road  
North Point  
Hong Kong

## PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central  
Hong Kong

## AUDITORS

McMillan Woods (Hong Kong) CPA Limited  
Certified Public Accountants  
24/F, Siu On Centre  
188 Lockhart Road  
Wan Chai  
Hong Kong

## GEM STOCK CODE

8020

## COMPANY'S WEBSITE

[www.unitas.com.hk](http://www.unitas.com.hk)

# Chairlady's Statement

**Dear Shareholders,**

On behalf of the board of Directors (the "Board") of UNITAS HOLDINGS LIMITED, I am pleased to present the 2023/2024 annual results of the Group for the financial year ended 31 March 2024 (the "Financial Year").

## **BUSINESS OPERATION AND FINANCIAL PERFORMANCE**

The Group is principally engaged in IP automation and entertainment services and provision of dry bulk shipping and logistic services. In respect of the dry bulk shipping and logistic services, the Group provides (1) international dry bulk shipping/ocean freight forwarding related logistics services; (2) local logistics services and freight forwarding business in Hong Kong; and (3) logistics agency service for rail transport between Russia and the PRC and other PRC freight forwarding services. The Group's IP automation and entertainment business includes (1) operation of IP thematic experience centres providing different IP products from automation gift machines, thematic game machines, carnival game booths as well as retail outlet in Sai Wan, Hong Kong under the brand name "Ganawawa"; (2) management and operation of three mega integrated edutainment and sports experience playgrounds, of which two are in Baoan and Huizhou in the PRC respectively and one is in Hong Kong named "Sooper Yoo"; and (3) the provision of IP related brand management and marketing consulting services for entertainment venues for cultural industrial parks and shopping malls.

### ***Dry bulk shipping and logistic services***

The Group's dry bulk shipping and logistic business was challenging during the Financial Year. In the Financial Year, the overall demand for shipping and logistic services and market freight rate was weaker than the same period last year, caused by the slow recovery of commodities consumption market, continuous high interest rate and increased in supply of vessels in the market. Furthermore, the sudden passing away of the key management of the Group's dry bulk shipping and logistic business, Mr. Wang Qiang, the executive director and chief executive officer of the Company, in July 2022 has a significant negative impact on the business development of the dry bulk shipping and logistic business. The board of the Company and the remaining management team of the dry bulk shipping and logistic business segment have been dedicating considerable time and effort to rebuild confidence of, and to maintain the business relationships with, the Group's existing clients. Meanwhile, the Group's management have been making every effort, leveraging on all possible potential relationships and networks to explore new customers for the business.

As a result of long-term and diligent effort made by the Group, the dry bulk shipping and logistic business has substantially recovered from the negative impact caused by the sudden passing away of Mr. Wang Qiang and the business is now developing steadily. The Group will continue to adopt a prudent asset-light approach to stay focus on the dry bulk shipping/ocean freight forwarding related agency service business and maintain a more viable and sustainable business relationship with the existing customer base of the Group.

As a result of the above-mentioned challenges, the Group recorded revenue of approximately HK\$51.29 million for the year ended 31 March 2024 (2023: approximately HK\$73.77 million), representing a decrease of approximately 30.48%. The segment profit recorded approximately HK\$2.70 million (2023: approximately HK\$5 million), representing a decrease of approximately 46.11%.

# Chairlady's Statement

## ***IP automation and entertainment business***

The Group's IP automation and entertainment business includes (1) operation of shops in Hong Kong under the brand name "Ganawawa". They are the IP thematic experience centres providing different IP products from automation gift machines, thematic game machines, carnival game booths as well as retail outlet; (2) management and operation of the integrated edutainment and sports experience playgrounds in the PRC and Hong Kong and (3) the provision of IP-related brand management and marketing consulting services.

The Group is currently operating a shop under the brand name of "Ganawawa" at the Westwood to conduct our IP automation and entertainment business. The "Ganawawa" shop is an IP thematic experience centre providing different IP products from automation gift machines, thematic game machines, carnival game booths as well as retail outlet. During the Financial Year, operation of "Ganawawa" shop continues to strive to recover from the loss-making situation post COVID-19 Epidemic and the Group is currently re-formulating the strategy and consolidating its current resources in operating the shop.

Apart from the above, as an extended business development on the cooperation model of Sooper Yoo, the management of the Group is continuously discussing and negotiating with mall operators and property management companies in the PRC for opportunities in designing, constructing and operating themed play zones for shopping malls, entertainment theme sites and/or cultural parks. As a result, with the effort of the management of Group, the Group further entered into two cooperation agreements, pursuant to which the Group act as designer, project manager and operator for two other edutainment and sports experience playgrounds located in Huizhou, the PRC and Baoan, the PRC respectively.

The Group has also diversified its entertainment business into providing IP-related brand management and marketing consulting services for entertainment venue in cultural industrial parks and shopping malls in PRC, Hong Kong and Macau with the Group's experience and expertise in operating entertainment stores, fun parks and IP products. The Group started providing consulting services on brand building, marketing and business development of the cultural and creative industrial parks since 2021 with a view to leverage the existing IP related entertainment brand building and marketing team of the Group to broaden income source of the Group and will continue to seek opportunities to provide consulting service on strategic planning, product development, brand building, marketing and business development of the theme parks in the PRC.

The Group overall recorded revenue of approximately HK\$88.18 million for the year ended 31 March 2024 (2023: approximately HK\$90.99 million), representing a decrease of approximately 3.09% when compared to the corresponding period in 2023. The Group recorded audited net loss attributable to owners of the Company for the year ended 31 March 2024 of approximately HK\$0.19 million (2023: approximately HK\$1.03 million). The decrease in loss was mainly due to the launch of the two edutainment and sports experience playgrounds in Huizhou, the PRC and Baoan, the PRC and growth of the provision of IP-related brand building and marketing consulting services.

# Chairlady's Statement

## OUTLOOK

After the restoration of the logistics services business in the fourth quarter of 2021, the Group has been and will continue to strive and maintain steady development on the logistics services business segment with the effort of the management of the Group in exploring new customer base and maintaining long-term relationships with existing customers.

Also, the Group is actively discussing with potential clients for the provision of IP related brand building and marketing consulting services and a view to broaden the income source of the Group. Reference is made to the announcement of the Company dated 25 June 2024 in relation to the new business development of the Group's IP automation and entertainment business. The "Ganawawa" shop is undergoing an expansion from existing gross floor area of approximately 700 square feet to approximately 2,000 square feet. It is expected that the expansion of the "Ganawawa" shop will be completed in July 2024.

Apart from the above, the Company is at the final stage of negotiation with a large Japan-based retail chain stores for the opening of a flagship "Ganawawa" shop at their retail store in Lai Chi Kok with gross floor area of approximately 13,000 square feet. It is expected that the above-mentioned "Ganawawa" shop will be opened in the third quarter of 2024.

The Company is confident that upon completion of the above-mentioned expansion plans, the "Ganawawa" shop could provide customers with a richer, more diverse, and more interesting gaming experience.

The Company is also at the final stage of negotiation with a large-scale integrated entertainment resort group for the opening of indoor theme park in Macau centered around the international IP brand namely Nickelodeon with gross floor area of approximately 9,000 square feet. It is expected that the theme park will be opened in the fourth quarter of 2024. The theme park would provide customers with a wide varieties of gaming excitements and entertainment enjoyment.

The Company is confident that upon the grand opening of the theme park in Macau, it would definitely mark a significant milestone to the development of the IP Automation and Entertainment Business which is expected to contribute long-term positive value to the Company and its shareholders as a whole.

## APPRECIATION

Last but not least, I would like to take this opportunity to extend my sincere gratitude to all fellow Directors, management and our staff for their unwavering dedication and contribution to our Group's development. I would also like to thank all of our shareholders, strategic partners and our valuable clients for their trusts and continuous support to our Group over a challenging year.

**UNITAS HOLDINGS LIMITED**

**Ho Chiu Ha Maisy**

*Chairlady and Executive Director*

Hong Kong, 28 June 2024



# Management Discussion and Analysis

## **BUSINESS REVIEW**

The Group is principally engaged in the provision of IP automation and entertainment services and provision of dry bulk shipping and logistic services.

### ***Dry bulk shipping and logistic services***

The Group's dry bulk shipping and logistic business was challenging during the Financial Year. In the Financial Year, the overall demand for shipping and logistic services and market freight rate was weaker than the same period last year, caused by the slow recovery of commodities consumption market, continuous high interest rate and increased in supply of vessels in the market. Furthermore, the sudden passing away of the key management of the Group's dry bulk shipping and logistic business, Mr. Wang Qiang, the executive director and chief executive officer of the Company, in July 2022 has a significant negative impact on the business development of the dry bulk shipping and logistic business. The board of the Company and the remaining management team of the dry bulk shipping and logistic business segment have been dedicating considerable time and effort to rebuild confidence of, and to maintain the business relationships with, the Group's exciting clients. Meanwhile, the Group's management have been making every effort, leveraging on all possible potential relationships and networks to explore new customers for the business.

As a result of long-term and diligent effort made by the Group, the dry bulk shipping and logistic business has substantially recovered from the negative impact caused by the sudden passing away of Mr. Wang Qiang and the business is now developing steadily. The Group will continue to adopt a prudent asset-light approach to stay focus on the dry bulk shipping/ocean freight forwarding related agency service business and maintain a more viable and sustainable business relationship with the existing customer base of the Group.

As a result of the above-mentioned challenges, the Group recorded revenue of approximately HK\$51.29 million for the year ended 31 March 2024 (2023: approximately HK\$73.77 million), representing a decrease of approximately 30.48%. The segment profit recorded approximately HK\$2.70 million (2023: approximately HK\$5 million), representing a decrease of approximately 46.11%).

### ***IP automation and entertainment business***

The Group's IP automation and entertainment business includes (1) operation of shops in Hong Kong under the brand name "Ganawawa", which are the IP thematic experience centres providing different IP products from automation gift machines, thematic game machines, carnival game booths as well as retail outlet; (2) management and operation of integrated edutainment and sports experience playgrounds in the PRC and Hong Kong and (3) the provision of IP-related brand management and marketing consulting services.

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# Management Discussion and Analysis

During the Financial Year, operation of “Ganawawa” shop continues to strive to recover from the loss-making situation post COVID-19 Epidemic and the Group is currently re-formulating the strategy and consolidating its current resources in operating the shop.

Apart from the above, as an extended business development on the cooperation model of Sooper Yoo, the management of the Group is continuously discussing and negotiating with mall operators and property management companies in the PRC for opportunities in designing, constructing and operating themed play zones for shopping malls, entertainment theme sites and/or cultural parks. As a result, with the effort of the management of Group, the Group further entered into two cooperation agreements, pursuant to which the Group act as designer, project manager and operator for two other edutainment and sports experience playgrounds located in Huizhou, the PRC and Baoan, the PRC respectively.

The Group has also diversified its entertainment business into providing IP-related brand management and marketing consulting services for entertainment venue in cultural industrial parks and shopping malls in PRC, Hong Kong and Macau with the Group's experience and expertise in operating entertainment stores, fun parks and IP products. The Group started providing consulting services on brand building, marketing and business development of the cultural and creative industrial parks since 2021 with a view to leverage the existing IP related entertainment brand building and marketing team of the Group to broaden income source of the Group and will continue to seek opportunities to provide consulting service on strategic planning, product development, brand building, marketing and business development of the theme parks in the PRC.

For the IP automation and entertainment business, the Group recorded revenue of approximately HK\$36.89 million for the year ended 31 March 2024 (2023: approximately HK\$17.22 million), representing an increase of approximately 114.21% when compared to the corresponding period in 2023 and segment profit of approximately HK\$1.91 million (2023: HK\$1 million) representing an increase of approximately 89.93%.

## FINANCIAL REVIEW

### Revenue

For the Financial Year, revenue of the Group decreased by 3.09% to approximately HK\$88.18 million from approximately HK\$90.99 million last year.

### Administrative and other operating expenses

The Group's administrative and operating expenses for the Financial Year increased by approximately 45.53% to approximately HK\$17.97 million compared to approximately HK\$12.35 million last year.

### Loss for the Financial Year attributable to owners of the Company

The Group recorded audited net loss attributable to owners of the Company for the year ended 31 March 2024 of approximately HK\$0.19 million (2023: approximately HK\$1.03 million). The decrease in loss was mainly due to the launch of the two edutainment and sports experience playgrounds in Huizhou, the PRC and Baoan, the PRC and growth of the provision of IP-related brand building and marketing consulting services.

# Management Discussion and Analysis

## Liquidity and financial resources

As at 31 March 2024, the Group had net current assets of approximately HK\$17.99 million (2023: approximately HK\$18.71 million). The Group had cash and bank balances of approximately HK\$25.21 million (2023: approximately HK\$29.03 million). Current ratio as at 31 March 2024 was approximately 1.38 (2023: 1.88).

The Group's gearing ratios as at 31 March 2024 was 7.53% (2023: 11.04%). Gearing ratio is calculated by dividing total debt with the total equity.

Throughout the Financial Year, the Group had minimal exposure in foreign currency risk as most of the business transactions, assets and liabilities were denominated in Hong Kong dollars. The Group will continue to monitor its foreign currency exposure closely.

## DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2024 (2023: Nil).

## CAPITAL STRUCTURE

As at 31 March 2024, the issued share capital of the Company was HK\$26,129,593.33 divided into 2,612,959,333 shares.

## SIGNIFICANT INVESTMENTS HELD

During the Financial Year, the Group did not hold any other significant investment in equity interest in any company.

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2024, the Group did not have any plan for material investments and capital assets.

## MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the Financial Year, the Group had no material acquisitions and disposal of subsidiaries and affiliated companies.

## CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2024 (2023: Nil).

## FOREIGN EXCHANGE EXPOSURE

The Group continues to adopt a conservative treasury policy with all bank deposits being kept in Hong Kong dollars, keeping a minimum exposure to foreign exchange risks.

## TREASURY POLICIES

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

# Management Discussion and Analysis

## PLEDGE OF ASSETS

As at 31 March 2024, the Group did not pledge any of its assets (2023: Nil) as securities for the banking facilities granted to the Group.

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group had 70 full-time employees, 10 part-time employees and 2 consultants (2023: 45 full-time employees, 15 part-time employees and 2 consultants), including the Directors. Total staff cost (including Directors' emoluments) were approximately HK\$10.97 million for the Financial Year as compared to approximately HK\$7.90 million in last year. Remuneration is determined with reference to market terms, performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical benefit to its employees in Hong Kong. In addition, the Group adopted a share option scheme for eligible employees (including Directors) to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

## OUTLOOK

After the restoration of the logistics services business in the fourth quarter of 2021, the Group has been and will continue to strive and maintain a steady development on the logistics services business segment with the effort of the management of the Group in exploring new customer base and maintaining long-term relationships with existing customers.

Also, the Group is actively discussing with potential clients for the provision of IP related brand building and marketing consulting services and a view to broaden the income source of the Group. Reference is made to the announcement of the Company dated 25 June 2024 in relation to the new business development of the Group's IP automation and entertainment business. The "Ganawawa" shop is undergoing an expansion from existing gross floor area of approximately 700 square feet to approximately 2,000 square feet. It is expected that the expansion of the "Ganawawa" shop will be completed in July 2024.

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The Company is also at the final stage of negotiation with a large-scale integrated entertainment resort group for the opening of indoor theme park in Macau centered around the international IP brand namely Nickelodeon with gross floor area of approximately 9,000 square feet. It is expected that the theme park will be opened in the fourth quarter of 2024. The theme park would provide customers with a wide varieties of gaming excitements and entertainment enjoyment.

The Company is confident that upon the grand opening of the theme park in Macau, it would definitely mark a significant milestone to the development of the IP Automation and Entertainment Business which is expected to contribute long-term positive value to the Company and its shareholders as a whole.

# Corporate Governance Report

## CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that leads to the success of the Company and balances the interests of its shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

Throughout the Financial Year, the Company had complied with all the code provisions set out in the Appendix 15 Corporate Governance Code and Corporate Governance Report (the “CG Code”) of the GEM Listing Rules with the exception of the following deviation:

### CODE PROVISION F.2.2

Code provision F.2.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

### DEVIATION

The chairlady of the Board, Ms. Ho Chiu Ha Maisy, was unable to attend the annual general meeting of the Company held on 30 September 2023 (the “AGM 2023”) as she had other important business engagement. However, Mr. Lau Ling Tak, an Executive Director, had chaired the AGM 2023 in accordance with the articles of association of the Company.

## THE BOARD OF DIRECTORS

### Composition and Responsibilities

At the date of this report, the Board comprises three executive Directors and three independent non-executive Directors. The names and office of each of the members of the Board and the Board committees of the Company during the Financial Year and up to the date of this report are as follows:

#### Board member

Ms. Ho Chiu Ha Maisy  
Mr. Lau Ling Tak  
Ms. Man Wing Yee Ginny  
Mr. Siu Chi Yiu Kenny  
Mr. Lee Chi Keung Jim  
Dr. Chow Ho Wan, Owen

#### Office

*Chairlady/Executive Director*  
*Executive Director*  
*Executive Director*  
*Independent Non-executive Director*  
*Independent Non-executive Director*  
*Independent Non-executive Director*

# Corporate Governance Report

## THE BOARD OF DIRECTORS (CONTINUED)

### Composition and Responsibilities (continued)

#### Audit Committee member

Dr. Chow Ho Wan, Owen *Chairman*  
Mr. Siu Chi Yiu Kenny  
Mr. Lee Chi Keung Jim

#### Remuneration Committee member

Mr. Siu Chi Yiu Kenny *Chairman*  
Mr. Lau Ling Tak  
Dr. Chow Ho Wan, Owen  
Mr. Lee Chi Keung Jim

#### Nomination Committee member

Mr. Siu Chi Yiu Kenny *Chairman*  
Dr. Chow Ho Wan, Owen  
Mr. Lau Ling Tak  
Mr. Lee Chi Keung Jim

As at the date of this report, the Board comprised six Directors, of which three are Executive Directors and three are Non-executive Directors. Of the three Non-executive Directors, all of them are Independent Non-executive Directors which represent over one-third of the Board.

The biographical details of each Director are set out in the section Report of the Directors on pages 27 to 30.

#### Role and Function of the Board

While the Board is primarily overseeing and managing the Company's affairs, the chairman of the Board provides leadership to the Board in carrying out its duties. The Executive Directors are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions within the control of and delegation framework of the Company. The Non-executive Directors (including Independent Non-executive Directors) contribute valuable views and proposals for the Board's deliberation and decisions.

# Corporate Governance Report

## THE BOARD OF DIRECTORS (CONTINUED)

### Board Meetings

The Board is scheduled to meet regularly at least four times a year at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. During the year ended 31 March 2024, eight Board meetings were held and the attendance records of individual Directors are set out below:

	<b>Number of Meetings Attended/Held</b>
<i>Executive Directors:</i>	
Ms. Ho Chiu Ha Maisy ( <i>Chairlady</i> )	8/8
Mr. Lau Ling Tak	8/8
Ms. Man Wing Yee Ginny	8/8
<i>Independent Non-executive Directors:</i>	
Mr. Siu Chi Yiu Kenny	6/8
Mr. Lee Chi Keung Jim	6/8
Dr. Chow Ho Wan, Owen	6/8

Apart from regular Board meetings, the Chairlady also had a meeting with the Independent Non-executive Directors without the presence of Executive Directors during the Financial Year.

# Corporate Governance Report

## THE BOARD OF DIRECTORS (CONTINUED)

### Board Meetings (continued)

Appropriate notices are given to all Directors in advance for attending regular and other Board meetings. Meeting agendas and other relevant information are provided to the Directors in advance of Board meetings. All Directors are consulted to include additional matters in the agenda for Board meetings.

Directors have access to the advice and services of the company secretary of the Company (the “Company Secretary”) with a view to ensuring that Board procedures, and all applicable rules and regulations, are followed.

The Company Secretary is responsible for taking minutes of the Board and committee meetings. Minutes of the Board and committee meetings record in sufficient detail of matters and concerns discussed are kept by the Company Secretary and open for inspection at any reasonable time on reasonable notice by any Director. Draft and final versions of minutes of Board and committee meetings are sent to Directors for their comments and records within a reasonable time after each meeting. All Directors have access to the advice and services of the Company Secretary to ensure that Board procedures and all applicable rules and regulations are followed. Directors may seek independent professional advice in appropriate circumstances at the Company's expense to assist them perform their duties to the Company. The Company has also arranged appropriate directors and officers liability insurance coverage for the Directors. The Company continuously updates all Directors on the latest development of the Listing Rules and other applicable regulatory requirements to ensure compliance and maintain good corporate governance practice.

### Appointment, Re-election and Removal

All Independent Non-executive Directors have entered into service contracts with the Company for a specific term of three years, subject to re-election.

In accordance with the articles of association of the Company, at each annual general meeting (the “AGM”), one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the AGM.

All Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after their appointment and be subject to re-election at such meeting and all Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election.

The Board has published procedures for Shareholders to propose a person for election as a Director on the Company's website ([www.unitas.com.hk](http://www.unitas.com.hk)) in March 2012 in compliance with the relevant GEM Listing Rules amendment effective on 1 April 2012.



# Corporate Governance Report

## THE BOARD OF DIRECTORS (CONTINUED)

### Nomination Committee

The Board established the nomination committee (the “Nomination Committee”) on 20 March 2012, with written terms of reference in compliance with the relevant Code Provisions (which were further reviewed by the Board in August 2013). Its written terms of reference are available on the GEM website ([www.hkgem.com](http://www.hkgem.com)) and the Company’s website ([www.unitas.com.hk](http://www.unitas.com.hk)).

The composition of the Nomination Committee is as follow:

#### *Independent Non-executive Directors:*

Mr. Siu Chi Yiu Kenny (*Chairman*)

Mr. Lee Chi Keung Jim

Dr. Chow Ho Wan, Owen

#### *Executive Director:*

Mr. Lau Ling Tak

The primary duties of the Nomination Committee include but not limited to the following:

- (1) review the structure, size, composition (including the skills, knowledge and experience) and diversity against factors including but not limited to gender, age, nationality, cultural and educational background, professional experience, skills, knowledge, industry experience and length of services, having regard to the Group’s business activities, assets and management portfolio Board’s at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy;
- (2) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (3) assess the independence of Independent Non-executive Directors; and
- (4) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer of the Company.

When identifying suitable candidates for directorship, the Nomination Committee will carry out the selection process by making reference to the skills, experience, education background, professional knowledge, personal integrity and time commitments of the proposed candidates, and also the Company’s needs and other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set forth in Rules 5.01 and 5.02 of the GEM Listing Rules. A candidate who is to be appointed as an Independent Non-executive Director should also meet the independence criteria set out in Rule 5.09 of the GEM Listing Rules. Qualified candidates will then be recommended to the Board for approval.

# Corporate Governance Report

## THE BOARD OF DIRECTORS (CONTINUED)

### Nomination Committee (continued)

#### *Board Diversity Policy*

The Board has, upon the recommendation of the Company's Nomination Committee, adopted a board diversity policy for purpose of maintaining a diversity of the Board which can in turn enhance the Board's decision making capability. In assessing potential candidates for the Board, the Nomination Committee will consider the guidelines and factors set out in the board diversity policy with a view that any appointment to the Board will be based on merit, having regard to the ability of candidates to complement and expand the skills, knowledge and experience of the Board as a whole. Diversity of the Board can be achieved through consideration of a number of relevant factors, including but not limited to independence, age, gender, ethnicity and cultural background, education, skills, knowledge and experience.

The Board has set measurable objectives (in terms of cultural background, education, skills and experience) to implement the board diversity policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the board diversity policy, as appropriate, to ensure its continued effectiveness from time to time.

The Nomination Committee considers that the current composition of the Board is characterised by diversity after taking into account the Company's own business model and specific needs.

The Nomination Committee members held two meetings during the Financial Year to discuss and review the Board's structure, size, composition and diversity, the extension of term of service of the Independent Non-executive Directors and the nomination of candidate to the Board for consideration and appointment. The attendance records of individual Nomination Committee members are set out below:

	<b>Number of Meetings Attended/Held</b>
Mr. Siu Chi Yiu Kenny ( <i>Chairman</i> )	2/2
Mr. Lee Chi Keung Jim	2/2
Mr. Lau Ling Tak	2/2
Dr. Chow Ho Wan, Owen	2/2

#### **Confirmation of Independence**

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

# Corporate Governance Report

## THE BOARD OF DIRECTORS (CONTINUED)

### Code of Conduct for Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors have complied with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the Financial Year.

### Continuous Professional Development for Directors

Directors must keep abreast of their collective responsibilities. Each newly appointed Director receives an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. Apart from the updates on regulatory changes and governance developments provided by the Company, the Directors are encouraged to participate in professional training and seminars to develop and refresh their knowledge and skills. A training record has been devised to record the training which the Directors have undertaken.

Up to date of this report, the Board members participated in the following training programs:

Name of Directors	Types of training	
	In-house training organised by professional organisations and provided by the Company	Reading materials updating on new rules and regulations
<b>Executive Directors</b>		
Ms. Ho Chiu Ha Maisy ( <i>Chairlady</i> )	✓	✓
Mr. Lau Ling Tak	✓	✓
Ms. Man Wing Yee Ginny	✓	✓
<b>Independent Non-executive Directors</b>		
Mr. Siu Chi Yiu Kenny	✓	✓
Mr. Lee Chi Keung Jim	✓	✓
Dr. Chow Ho Wan, Owen	✓	✓

# Corporate Governance Report

## REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

### Emolument Policy

The remuneration policy of the Group is to ensure the fairness and competitiveness of total remuneration. The emoluments of Executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration of the Company's performance and prevailing market conditions. The remuneration policy of Non-executive Directors (including Independent Non-executive Directors) is to ensure that the Non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. The emoluments of Non-executive Directors are determined with reference to their skills, experience, knowledge, duties and market trends.

### Remuneration Committee

The Board established the remuneration committee (the "Remuneration Committee") in September 2011, with written terms of reference in compliance with the Code Provisions (which were further reviewed by the Board in March 2012). The revised written terms of reference of the Remuneration Committee are available on the GEM website ([www.hkgem.com](http://www.hkgem.com)) and the Company's website ([www.unitas.com.hk](http://www.unitas.com.hk)).

The Remuneration Committee is responsible for, inter alia, making recommendations to the Board on the Company's emolument policy and on the establishment of a formal and transparent procedure for developing such policy.

The composition of the Remuneration Committee is as follows:

*Independent Non-executive Directors:*

Mr. Siu Chi Yiu Kenny (*Chairman*)  
Mr. Lee Chi Keung Jim  
Dr. Chow Ho Wan, Owen

*Executive Director:*

Mr. Lau Ling Tak

The Remuneration Committee members held two meetings during the Financial Year, the attendance records of individual Remuneration Committee members are set out below:

	<b>Number of Meetings Attended/Held</b>
Mr. Siu Chi Yiu Kenny ( <i>Chairman</i> )	2/2
Mr. Lau Ling Tak	2/2
Mr. Lee Chi Keung Jim	2/2
Dr. Chow Ho Wan, Owen	2/2

# Corporate Governance Report

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

It is the responsibility of the Board to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospects. Management shall provide such explanation and information to the Board as will enable the Board to make an informed assessment of financial and other information presented before the Board for approval.

The Board acknowledges its responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The consolidated financial statements set out on pages 44 to 49 were prepared on the basis set out in notes on pages 50 to 107 to the Consolidated Financial Statements. Financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements.

During the Financial Year, McMillan Woods (Hong Kong) CPA Limited ("McMillan") has been appointed as the auditors of the Company and to hold office until the conclusion of the next annual general meeting of the Company. Save for providing audit services, there was no other service provided by McMillan for the year ended 31 March 2024 (2023: Nil). The fees in respect of audit services by McMillan for the year ended 31 March 2024 amounted to HK\$690,000 (2023: HK\$630,000).

The reporting responsibilities of McMillan are set out in the Independent Auditors' Report on pages 39 to 43.

### Audit Committee

The Board established the Audit Committee in September 2011, with written terms of reference in compliance with the Code Provisions (which were further reviewed by the Board in March 2012 and June 2016). The revised written terms of reference of the Remuneration Committee are available on the GEM website ([www.hkgem.com](http://www.hkgem.com)) and the Company's website ([www.unitas.com.hk](http://www.unitas.com.hk)).

The Audit Committee reports to the Board and has held regular meetings since its establishment to review and make recommendations to improve the Group's financial reporting process, risk management and internal control systems.

The composition of the Audit Committee is as follows:

*Independent Non-executive Directors:*

Mr. Siu Chi Yiu Kenny

Mr. Lee Chi Keung Jim

Dr. Chow Ho Wan, Owen

# Corporate Governance Report

## ACCOUNTABILITY AND AUDIT (CONTINUED)

### Audit Committee (continued)

The Audit Committee members held four meetings during the Financial Year, the attendance records of individual Audit Committee members are set out below:

	<b>Number of Meetings Attended/Held</b>
Mr. Siu Chi Yiu Kenny	4/4
Mr. Lee Chi Keung Jim	4/4
Dr. Chow Ho Wan, Owen	4/4

During the Financial Year, the Audit Committee had undertaken the follow duties:

- Met with external auditors to discuss the general scope of their audit work;
- Reviewed external auditors' management letter and management's response;
- Reviewed management representation letter;
- Reviewed the completeness and effectiveness of risk management and internal control systems;
- Reviewed and approved internal audit plan;
- Reviewed and approved the engagement of external auditors for providing non-audit services;
- Reviewed and approved the remuneration in respect of audit and non-audit services provided by external auditors;
- Reviewed the independence and objectivity of external auditors;
- Met with external auditors to discuss issues arising from the audit of annual accounts and review of interim and quarterly accounts;
- Reviewed the annual report and accounts, half-year interim report as well as quarterly reports;
- Recommended to the Board the appointment of external auditors; and
- Reviewed the Company's compliance with the Code Provisions and disclosure in the Corporate Governance Report.

# Corporate Governance Report

## ACCOUNTABILITY AND AUDIT (CONTINUED)

### Delegation by the Board

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these committees are governed by the Company's articles of association as well as the Board's policies and practices (in so far as the same are not in conflict with the provisions contained in the articles of association).

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the Executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal controls, communication with Shareholders, Board membership, delegation of authority and corporate governance.

### Communication with Shareholders

The Board recognises the importance of good communications with Shareholders and investors. The Company establishes various communication channels with its shareholders and investors. These include the annual general meeting, the extraordinary general meeting, the annual and interim reports, notices, announcements, circulars, and the Company's website.

General meetings (including annual general meeting and extraordinary general meeting) provide useful forum for Shareholders to exchange views with the Board. The Board welcomes Shareholders to express their opinions. Directors, senior management are available to answer questions at general meetings and external auditors will also attend the annual general meeting to address Shareholders' queries. Separate resolutions are proposed at general meetings on each substantially separate issue, including the re-election of individual Directors. The notice of the meeting, the annual report and the circular containing information on the proposed resolutions are sent to Shareholders at least twenty clear business days before the meeting. Voting at general meetings are by way of a poll. Details of the poll voting procedures are explained to Shareholders at general meetings to ensure that Shareholders are familiar with such procedures. The results of the poll are published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.unitas.com.hk](http://www.unitas.com.hk)).

### Procedures for Shareholders to convene an extraordinary general meeting

There is no provision allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, Shareholders are requested to follow article 58 of the Articles of Association, general meetings shall be convened on the written requisition of any one or more members holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one day of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expense incurred by the requisition(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

# Corporate Governance Report

## ACCOUNTABILITY AND AUDIT (CONTINUED)

### Procedures for Shareholders to propose a person for election as a Director

No person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose such person for election as a Director, signed by a Shareholder (other than the person to be proposed for election as a Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by such person of his willingness to be elected shall have been lodged at the head office or at the Registration Office. The minimum length of the period during which such notices are given shall be at least seven clear days and the period for lodgement of such notices shall commence no earlier than the day immediately after the despatch of the notice of the general meeting appointed for such intention and end no later than seven days before the date of such general meeting.

### Procedures for sending enquiries to the Board

Shareholders may send written enquiries to the Company, for the attention of the Company Secretary, by e-mail at admin@unitas.com.hk or mail to Flat C, 16/F, MG Tower, 133 Hoi Bun Road, Kwun Tong.

### Information disclosure

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



# Corporate Governance Report

## INVESTOR RELATIONS

There were no changes in the constitutional documents of the Company during the Financial Year.

## RISK MANAGEMENT AND INTERNAL CONTROL

During the Financial Year, the Board complied with the code provisions on risk management and internal control as set out in the CG Code. The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Company. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial and risk controls for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The Board has overseen the Company's risk management and internal control systems on an ongoing basis. A financial year end review of the effectiveness of the Company's and its subsidiaries risk management and internal control systems has been conducted annually and the systems are considered to be effective and adequate. The Company also has an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest. Stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest.

Hong Kong, 28 June 2024

# Report of the Directors

The Directors have pleasure in presenting their annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2024 (the “Consolidated Financial Statements”).

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of Company are set out in Note 30 to the Consolidated Financial Statements.

## BUSINESS REVIEW

A fair review of the Company's business and its outlook are set out in the sections of Chairlady's Statement and Management Discussion and Analysis. Certain financial key performance indicators are provided in the section of Financial Summary. No important event affecting the Company has occurred since the end of the Financial Year.

The Company complies with the requirements under the Companies Ordinance, the GEM Listing Rules and the Securities and Futures Ordinance (the “SFO”) for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance and ordinances relating to occupational safety for the interest of employees of the Group.

The Group respects the environment and is committed to minimising its carbon footprints as a socially responsible enterprise in Hong Kong. Carbon footprint is defined as the total amount of direct and indirect emissions of Green House Gases (GHGs) expressed in terms of the equivalent amount of Carbon Dioxide of (CO<sub>2</sub>) emission. Non-hazardous wastes produced from the Group mainly consist of used paper such as office papers and marketing materials. To minimise the impact of carbon footprints on the environment, the Group implements the following practices to use paper efficiently:

- Duplex printing is set as the default mode for most network printers;
- Employees are reminded to practice photocopying wisely;
- Employees are encouraged to use both sides of paper;
- Paper waste is recycled instead of being directly disposed of in landfills;
- Paper is separated from other waste for easier recycling; and
- Boxes and trays are placed beside photocopiers as containers to collect single-sided paper for reuse purpose.

Electricity consumption is identified as having an adverse impact on the environment and natural resources. A typical commercial building uses more energy for lighting than for other electric equipment. The Group is determined to reduce energy consumption and implement conservation practices to reduce the effect on carbon footprint. Air conditioning and light zone arrangements reduce unnecessary electricity usage; employees enforce good practices in maintenance of lighting and electric equipment to ensure they are kept in good and proper condition to maximise efficiency.

# Report of the Directors

## **BUSINESS REVIEW (CONTINUED)**

### **Key Risk Factors**

The following lists out the key risks and uncertainties facing the Group.

### **Impact of Local and International Regulations**

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

### **Third-Party Risks**

The Group has been relying on third-party service providers in parts of business to improve performance and efficiency of the Group. While gaining the benefits from external service providers, the management realises that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputed third-party providers and closely monitors their performance.

### **Key Relationships with Employees, Customers and Suppliers**

The Group recognises the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the Financial Year.

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers before the commencement of a project.

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analyse on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

## **RESULTS**

The results of the Group for the year ended 31 March 2024 are set out in Consolidated Financial Statements on pages 44 to 49.

## **RESERVES**

Movement in the reserves of the Group and the Company during the Financial Year are set out the consolidated statement of changes in equity on page 47 and note 29 to the Consolidated Financial Statements respectively.

# Report of the Directors

## DISTRIBUTABLE RESERVES

As at 31 March 2024, the Company's reserves available for cash distribution and/or distribution in specie, calculated in accordance with the Companies Law (2003 Revision) of the Cayman Islands to members amounted to Nil (2023: Nil) which comprised share premium of approximately HK\$297,517,000 (2023: approximately HK\$297,517,000) and accumulated losses of approximately HK\$325,201,000 (2023: accumulated losses of approximately HK\$313,398,000).

## SHARE CAPITAL

Details of movements in share capital of the Company during the Financial Year are set out in note 27 to the Consolidated Financial Statements.

## MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales for the Finance Year generated from the Group's major customers are as follows:

- The largest customer 34.0%
- Five largest customers 58.0%

The percentage of purchases for the Finance Year attributable to the Group's major suppliers are as follows:

- The largest supplier 35.8%
- Five largest suppliers 63.5%

None of the Directors, their close associates (as defined in the GEM Listing Rules) or any shareholders (which to the knowledge of the Directors, owns more than 5% of the Company's share capital) had an interest in any of the Group's five largest customers and suppliers for the Financial Year.

## MANAGEMENT CONTRACTS

Save as disclosed herein, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the Financial Year.

## PLANT AND EQUIPMENT

Details of movement in plant and equipment during the Financial Year are set out in note 16 to the Consolidated Financial Statements.

## BORROWINGS

As at 31 March 2024, the Group had no banking facilities and had obtained advance from Shareholders in the aggregate amount of approximately HK\$1,087,000 which was unsecured, interest free and repayable on demand. (2023: approximately HK\$1,004,000).

# Report of the Directors

## DIRECTORS

The Directors who hold office during the Financial Year and up to the date of this report are as follows:

### *Executive Directors*

Ms. Ho Chiu Ha Maisy (*Chairlady*)

Mr. Lau Ling Tak

Ms. Man Wing Yee Ginny

### *Independent Non-executive Directors*

Mr. Siu Chi Yiu Kenny

Mr. Lee Chi Keung Jim

Dr. Chow Ho Wan, Owen

The biographical details of each Director are set out below:

### **Executive Directors**

**Ms. Ho Chiu Ha Maisy**, BBS, aged 57, is an Executive Director and Chairlady of the Company. Ms. Ho holds a Bachelor's degree in mass communication and psychology from Pepperdine University, the United States.

In China, she is a standing committee member of the Chinese People's Political Consultative Conference of Liaoning Province.

She has been an executive director of Shun Tak Holdings Limited since 2001 and she is responsible for overseeing the strategic planning and operations of the property management division, as well as retail and merchandising division. Save as aforementioned, Ms. Ho has not held other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

**Mr. Lau Ling Tak**, aged 50, joined the Group as an Independent Non-executive Director on 21 September 2011 and re-designated as an Executive Director on 21 June 2012, he is responsible for formulating corporate strategy, planning and business development of the Group. He is a member of each of the Audit Committee, Remuneration Committee and the Nomination Committee.

# Report of the Directors

## DIRECTORS (CONTINUED)

### Executive Directors (continued)

Mr. Lau obtained the degree of Bachelor of Engineering in Building Services Engineering (Building Electrical Services) from the Hong Kong Polytechnic University in November 2001. Mr. Lau holds the qualification of Chartered Engineer (CEng) since June 2003 and has also been a member of the Society of Operations Engineers (MSOE), Institute of Plant Engineers (MIPlantE) and the International Institute of Management (MIIM) since June 2003, October 2002 and July 2003 respectively.

Mr. Lau has substantial experience in the medical and health care industry. He founded GHC Holdings Limited (previously known as Bio-life (China) Limited) in January 2005 and was appointed as the managing director from its establishment until October 2008. GHC Holdings Limited principally provides medical and dermatology services for the general public through its general clinics and specialist polyclinics that operate in Hong Kong.

From October 2008 to May 2009, Mr. Lau was the director of development of Quality HealthCare Medical Centre Limited, a subsidiary of Skyocean International Holdings Limited (Stock Code: 593) which is a physician led provider group offering an integrated range of healthcare services through a network of medical centres, dental and physiotherapy centres.

**Ms. Man Wing Yee Ginny**, aged 51, joined the Group as a Non-executive Director on 21 February 2012 and re-designated as an Executive Director on 25 June 2014. She has over 8 years of experience in legal practice focusing on China inbound and outbound investment, finance, mergers and acquisitions and corporate restructuring. She is also working as a consultant at Tsun & Partners since January 2012 and was admitted as a solicitor of the High Court of Hong Kong SAR in August 1999.

She is a representative of the 14th National People's Congress, a member of the Chinese People's Political Consultative Conference of Guangxi Zhuang Autonomous Region in China. She is currently a member of the Law Society of Hong Kong. Ms. Man received a Bachelor of Arts degree majoring in French and International Relations from Wellesley College at Massachusetts in the USA in 1995.

# Report of the Directors

## DIRECTORS (CONTINUED)

### Independent Non-executive Directors

**Mr. Siu Chi Yiu Kenny**, aged 57, is an independent Non-executive Director responsible for providing independent judgment on issues of strategy, performance resources and standard of conduct of the Company. He is the chairman of the Remuneration Committee and Nomination Committee and a member of the Audit Committee.

Mr. Siu was awarded a Professional Diploma in Building Surveying from Hong Kong Polytechnic University in 1990 and a Master of Business Administration degree from the University of South Australia in 2009. He was admitted as a chartered member of the Chartered Institute of Housing in September 2014 and a professional member of the Royal Institution of Chartered Surveyors in October 2014. Mr. Siu has over 30 years of experience in sales and marketing, project management and consultancy in the property industry. He has the experience of employment with a number of major property developers, including Shui On Properties Limited (from 1993 to 1994), Harbour Ring Property Development Limited (now known as China Oceanwide Property Sino Limited) (from 1994 to 1997), SIIC Investment Company Limited (from 1997 to 2009) and Hsin Chong Construction Group (from 2014 to 2016). In 2009, Mr. Siu established Kenny Siu Surveyors & Co., being a local real estate surveying firm in Hong Kong, in which he is now working as a director and consultant specialising in project finance and development study. Mr. Siu has also been appointed as a visiting professor of Jiangxi University of Finance and Economics (江西財經大學) since March 2016.

**Mr. Lee Chi Keung Jim**, aged 53, is an independent Non-executive Director responsible for providing independent judgment on issues of strategy, performance resources and standard of conduct of the Company. He is the member of the Remuneration Committee, Nomination Committee and the Audit Committee.

Mr. Lee was awarded a Bachelor of Laws degree from the University of Hong Kong in 1995 and was admitted as a solicitor of the High Court of Hong Kong in 1999. He is currently working as a consultant of Lam and Lai, being a local law firm in Hong Kong. His practicing areas include civil and criminal litigations, company law, conveyancing law, conveyancing-related litigations and other commercial matters. He has the experience of acting for Hong Kong listed companies in their litigation matters in the High Court of Hong Kong. Mr. Lee has also been actively contributing to the pro bono legal services organized by the Home Affairs Bureau since 2002 and was awarded certificates under the Home Affairs Bureau's Recognition Scheme for Provision of Pro Bono Legal Services since 2012 in appreciation for his contribution.

# Report of the Directors

## DIRECTORS (CONTINUED)

### Independent Non-executive Directors (continued)

**Dr. Chow Ho Wan, Owen**, aged 48, is the founder and chairman of Sino Fame International Group Limited, Sino Fame Education Group Limited and the SF Capital Limited. He is also the founder and chairman of the Association of International Certified Financial Consultants (AICFC). Dr. Chow is currently an independent non-executive director of Hong Wei (Asia) Holding Limited (Stock Code: 08191). He was an independent non-executive director of GBA Holdings Limited (Stock Code: 00261), Wan Leader International Limited (Stock Code: 08482), Century Entertainment International Holdings Limited (Stock Code: 00959) and CIL Holdings Ltd (0479.HK).

Dr. Chow obtained the degree of Bachelor of Commerce from the University of Toronto, Canada in 1999 and subsequently obtained the Master of Science in Finance from the Chinese University of Hong Kong in 2003, the Bachelor of Laws from Tsinghua University, PRC in 2006 and the Doctor of Business Administration from European University, Switzerland in 2011. Dr. Chow also completed the Postdoctoral Global Leadership Research Program in University of Oxford.

Dr. Chow holds various professional qualifications including Certified Financial Consultants (CFC), Certified Financial Planners (CFMP), Certified Banking Risk Management (CBRM), fellow member of Hong Kong Institute of Directors (FHKIoD), CPA Australia, fellow of The Chartered Management Institute (FCMI), member of Hong Kong Securities and Investment Institute (MHKSI) and Canadian Securities Institute (CSI).

Dr. Chow is also the chairman of the Guangdong-Hong Kong-Macao-Bay Area Economic and Trade Association; vice president and chairman of Young Executives Committee of the Association of Chinese Culture of Hong Kong; committee member of the Chinese People's Political Consultative Conference (CPPCC) of the Guangdong-Foshan-Nanhai District; Member of the China Overseas Chinese Entrepreneurs Association; committee for the Overseas Union for Tianjin, Chongqing, Foshan, Nanhai and Beihai; committee member of the Qianhai QFAE Think-tank Experts; director at the Chambers of Commerce and Industry and the vice chairman for the Hong Kong Yuen Long Industries & Commerce Association.

Dr. Chow has over 20 years of experience in the finance and accounting field and used to work in various international banks and accounting firms.



# Report of the Directors

## **DIRECTORS' SERVICE CONTRACTS**

Each of the other Executive Directors has entered into a service agreement with the Company for an initial term of three years but the service agreement is terminable by either party giving three months' written notice or payment in lieu to the other party.

Each of the Independent Non-executive Directors has entered into letter of appointment with the Company for an initial term of three years, subject to retirement by rotation and re-election at annual general meeting and until terminated by not less than one month's written notice served by either party on the other.

No Director has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

The Company has received annual confirmation of independence from each of the Independent Non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and all of them are considered to be independent.

In accordance with the Articles of Association of the Company and to comply with the Code Provisions, Ms. Ho Chiu Ha Maisy, Mr. Lee Chi Keung Jim and Mr. Siu Chi Yiu Kenny shall retire from office at the forthcoming annual general meeting of the Company (the "2024 AGM") and, being eligible, offer themselves for re-election, at the 2024 AGM.

## **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

Save as disclosed herein, no transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director had a material interest, subsisted at the end of the Financial Year or at any time during the Financial Year.

## **INDEMNITY OF DIRECTORS**

The Company has maintained appropriate directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Financial Year.

# Report of the Directors

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2024, the interests and short positions of each Director and chief executive of the Company 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, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

### Long positions in the Company

Name of Director	Type of interests	Number of ordinary shares held	Number of underlying shares held	Approximate percentage of shareholding in the Company
Ms. Ho Chiu Ha Maisy	Beneficial owner	407,890,000	–	15.61%
Ms. Man Wing Yee Ginny	Beneficial owner	441,900,000	–	16.91%
Mr. Lau Ling Tak	Beneficial owner	43,937,500	–	1.68%

Save as disclosed above, as at 31 March 2024, none of the Directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or its 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, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

# Report of the Directors

## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 March 2024, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group were as follows:

### Long positions in the Company

Name of shareholders	Capacity	Number of ordinary shares held	Number of underlying shares held	Approximate percentage of shareholding in the Company
Mr. Chan Yu Fung	Beneficial owner	251,462,500	–	9.62%
Mr. Zhao Genlong	Beneficial owner	200,000,000	–	7.65%

Save as disclosed above, as at 31 March 2024, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group.

# Report of the Directors

## **DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

## **SUFFICIENCY OF PUBLIC FLOAT**

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge the Directors, the Directors confirm that the Company has maintained the amount of public float as required under the GEM Listing Rules.

## **PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Financial Year.

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

Pursuant to Appendix C2 Environmental, Social and Governance Reporting Guide (the "ESG Guide") of the GEM Listing Rules, the Group is required to prepare an ESG Report, which explains the management approaches, strategies, policies, measures taken and results of its activities on environmental and social areas and aspects, and evaluate their impact on the sustainable development of the environment and society. The Group has adopted and implemented the strategies, policies, rules and regulations in relation to the environmental and social areas and aspects of the ESG Guide with responsibility and a high Code of Standards, which can be summarised in the annual report of the Company for the year ended 31 March 2024 dated 28 June 2024.

A separate ESG report for further disclosure of Aspect A1 emissions matters as required under the ESG Guide will be published on the Stock Exchange's website and the Company's website no later than three months after the publication of this annual report.

## **DIRECTOR'S INTERESTS IN COMPETING INTERESTS**

During the Financial Year, none of the Directors, the management shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

# Report of the Directors

## CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors during the Financial Year.

## RELATED PARTIES TRANSACTIONS

Details of related parties transactions of the Group during the Financial Year are set out in note 33 to the financial statements. None of these related party transactions constitute connected transactions as defined under the GEM Listing Rules.

## EQUITY-LINKED AGREEMENT

Details of the equity-linked agreement entered into during the Financial Year or subsisting at the end of the Financial Year are set out below:

### Share Option Scheme

The purpose of the share option scheme (the "Scheme") is to advance the interests of the Company and the Shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group.

Eligible person under the Scheme include (collectively "Eligible Persons"):

- (i) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group (collectively "Employee");
- (ii) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of the Group (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid); any provider of goods and/or services to the Group; any customer of the Group; or any holder of securities issued by any member of the Group (collectively "Business Associate"); and
- (iii) any other person, who at the sole discretion of the Board, has contributed to the Group (the assessment criteria of which are (1) such person's contribution to the development and performance of the Group; (2) the quality of work performed by such person for the Group; (3) the initiative and commitment of such person in performing his duties; (4) the length of service or contribution of such person to the Group; and (5) such other factors as considered to be applicable by the Board).

The Company has conditionally adopted the Scheme on 21 September 2011 under which the Eligible Persons may be granted options to subscribe for the Company's shares. The principal terms of the Scheme are summarised in the paragraph headed "Share Option Scheme" in Appendix V to the Prospectus. The principal terms of the Scheme are summarised as follows:

The Scheme was adopted for a period of 10 years commencing from 21 September 2011 and remains in force until 20 September 2021. The Company may, by resolution in general meeting or, such date as the Board determined, terminate the Scheme at any time without prejudice to the exercise of options granted prior to such termination.

# Report of the Directors

## EQUITY-LINKED AGREEMENT (CONTINUED)

### Share Option Scheme (continued)

The subscription price per share of the Company for each option granted shall be a price solely determined by the Board and notified to an Eligible Person and shall be at least the highest of:

1. the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of offer for the grant of option (the "Date of Grant") which must be a trading day;
2. the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Date of Grant; and
3. the nominal value of the shares of the Company on the Date of Grant.

Upon acceptance of the options, the grantee shall pay a nominal value as determined by the Board to the Company as consideration for the grant. The acceptance of an offer of the grant of the option shall be made within the date as specified in the offer letter issued by the Company, normally being a date not later than 10 business days from the date upon which it is made. The exercise period of any option granted under the Scheme shall not be longer than 10 years commencing on the date of grant and expiring on the last day of such 10-year period subject to the provisions for early termination as contained in the Scheme.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at the date of approval.

On 30 September 2015, the shareholders of the Company had approved the refreshment of the 10% scheme mandate limit on the grant of options under the Scheme. Options previously granted (if any) under the Scheme (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Scheme) will not be counted for the purpose of calculating the scheme mandate limit as refreshed. Based on 2,260,000,000 shares of the Company in issue as at the date of refreshment, the Directors were authorised to issue options to subscribe for a total of 226,000,000 shares of the Company, representing 10% of the total number of shares of the Company in issue as at the date of refreshment.

The maximum number of shares issued and to be issued upon exercise of the options granted and to be granted to each grantee under the Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue. Any further grant of options in excess of this 1% limit shall be subject to issuance of a circular by the Company and approved by its shareholders in accordance with the GEM Listing Rules.

# Report of the Directors

## EQUITY-LINKED AGREEMENT (CONTINUED)

### Share Option Scheme (continued)

Regarding the Acceptance Period, under clause 4.2 of the Share Option Scheme, the Board could accord its discretion, determine certain terms of the Options, inter alia, acceptance period which should be within 10 business days. However, clause 12 of the Share Option Scheme permits the Board to amend, in its absolute discretion, any terms of the Share Option Scheme to the extent permitted by law and the GEM Listing Rules provided that the amendment does not fall into any items which need prior approval of the shareholders of the Company in general meeting, as below:

1. any of the provisions of the Share Option Scheme relating to matters contained in Rule 23.03 of the GEM Listing Rules to the advantage of the Grantees;
2. any terms and conditions of the Share Option Scheme which are of a material nature or any terms of Options granted except where such alternation take effect automatically under the existing terms of the Share Option Scheme; and
3. any provisions on the authority of the Board in relation to any alternation to the terms of the Share Option Scheme.

The Board, having sought legal advice from the Company's legal adviser, considers the Acceptance Period (i) will not have material effects to the operation and financial of the Group; (ii) does not fall into any items stipulated in Rule 23.03 of the GEM Listing Rules; and (iii) the Acceptance Period will not cause advantage to the Grantees. As such, the Acceptance Period does not fall into any of the factors as set out in clause 12.2 of the Share Option Scheme and the GEM Listing Rules as afore-mentioned and the grant of Options is therefore considered valid.

Details of movements in Share Options during the Financial Year are set out in note 32 to the Consolidated Financial Statements.

# Report of the Directors

## **PRE-EMPTIVE RIGHTS**

There is no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer the new shares on a pro-rata basis to existing Shareholders.

## **CORPORATE GOVERNANCE REPORT**

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 11 to 23 in this annual report.

## **AUDITORS**

The consolidated financial statements have been audited by McMillan Woods (Hong Kong) CPA Limited who retires and, being eligible, offers themselves for re-appointment at the forthcoming annual general meeting.

By order of the Board

## **UNITAS HOLDINGS LIMITED**

**Ho Chiu Ha Maisy**

*Chairlady and Executive Director*

Hong Kong, 28 June 2024



# Independent Auditors' Report



24/F., Siu On Centre,  
188 Lockhart Road,  
Wan Chai, Hong Kong

## TO THE SHAREHOLDERS OF UNITAS HOLDINGS LIMITED

*(incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Unitas Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 44 to 107, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

# Independent Auditors' Report

## KEY AUDIT MATTERS

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

### Key audit matter

### How our audit addressed the key audit matter

#### Allowance for expected credit losses assessment on trade receivables

Refer to the summary of material accounting policies in Note 3, critical judgement and estimates in Note 4, financial risk management in Note 5(b) and its relevant disclosures in Note 20 to the consolidated financial statements.

As at 31 March 2024, the Group had gross trade receivables of approximately HK\$26,657,000. The allowance for expected credit losses of approximately amounted to HK\$632,000.

Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of allowance for expected credit losses based on information including credit profile of different customers or debtors, ageing of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers or debtors. Management also considered forward-looking information that may impact the customers' or debtors' ability to repay the outstanding balances in order to estimate the allowance for expected credit losses assessment.

We focused on this area due to the allowance for expected credit losses assessment of trade receivables under the expected credit losses model involved the use of significant management judgments and estimates.

Our procedures in relation to management's impairment assessment on trade and other receivables included:

- Understanding, evaluating and validating the key controls that the Group has implemented to manage and monitor its credit risk, and evaluating management's assessment process for allowance for expected credit losses;
- Checking, on a sample basis, the ageing profile of the trade receivables to the underlying financial records and post year-end settlements to bank receipts;
- Inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as performing public profile search for selected customers, understanding ongoing business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers or debtors;
- Assessing the appropriateness of the expected credit losses provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses; and
- Engaging independent competent expert to review the valuation process, methodologies used and market evidence to support significant judgements and assumptions applied in the valuation model prepared by the external valuer.

# Independent Auditors' Report

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditors' report thereon (the "Other Information").

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

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

## RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirement of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

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

# Independent Auditors' Report

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

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

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

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

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

# Independent Auditors' Report

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

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

### **McMillan Woods (Hong Kong) CPA Limited**

*Certified Public Accountants*

### **Chan Chun Sing**

Audit Engagement Director

Practising Certificate Number P05537

24/F, Siu On Centre,

188 Lockhart Road, Wan Chai, Hong Kong

28 June 2024

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	8	88,177	90,992
Cost of sales		(69,906)	(79,845)
Gross profit		18,271	11,147
Other gains and losses	8	310	518
(Allowance)/net reversal of allowance for expected credit losses on trade and other receivables		(382)	657
Administrative and operating expenses		(17,971)	(12,349)
Finance cost	9	(62)	(105)
<b>Profit/(loss) before tax</b>	10	166	(132)
Income tax expense	13	(461)	(894)
<b>Loss for the year</b>		(295)	(1,026)
<b>Other comprehensive expense for the year, net of income tax</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		(140)	–
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes on financial assets at fair value through other comprehensive income		–	(275)
<b>Total comprehensive expense for the year</b>		(435)	(1,301)
<b>Loss for the year attributable to:</b>			
Owners of the Company		(187)	(1,026)
Non-controlling interest		(108)	–
		(295)	(1,026)
<b>Total comprehensive expense for the year attributable to:</b>			
Owners of the Company		(327)	(1,301)
Non-controlling interest		(108)	–
		(435)	(1,301)
<b>Loss per share attributable to the owners of the Company</b>	15		
Basic and diluted (HK cents per share)		(0.01)	(0.04)

The accompanying notes form an integral part of these consolidated financial statements.

# Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	16	1,054	82
Right-of-use assets	17	253	815
Deferred tax assets	18	72	40
		<b>1,379</b>	937
<b>Current assets</b>			
Inventories	19	1,415	164
Trade receivables	20	26,025	3,896
Prepayments, deposits and other receivables	21	12,165	6,948
Cash and cash equivalents	22	25,211	29,030
		<b>64,816</b>	40,038
<b>Current liabilities</b>			
Trade payables	23	17,533	977
Other payables and accruals	24	5,372	2,876
Contract liabilities	25	11,185	5,190
Loans from shareholders	26	1,087	1,004
Lease liabilities	17	371	751
Tax payable		11,275	10,526
		<b>46,823</b>	21,324
<b>Net current assets</b>		<b>17,993</b>	18,714
<b>Total assets less current liabilities</b>		<b>19,372</b>	19,651
<b>Non-current liabilities</b>			
Lease liabilities	17	–	373
<b>Net assets</b>		<b>19,372</b>	19,278

# Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>EQUITY</b>			
Share capital	27	26,130	26,130
Reserves		(7,179)	(6,852)
<b>Equity attributable to the owners of the Company</b>		<b>18,951</b>	19,278
<b>Non-controlling interest</b>		<b>421</b>	–
<b>Total equity</b>		<b>19,372</b>	19,278

Approved and authorised for the issue by the board of directors on 28 June 2024 and signed on its behalf by:

**Ms. Man Wing Yee Ginny**  
*Director*

**Mr. Lau Ling Tak**  
*Director*



# Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

Attributable to owners of the Company								
	Share capital	Share premium	Financial assets at fair value through other comprehensive income reserve	Share option reserve	Foreign currency translation reserve	Accumulated losses	Non-controlling interest	Total equity
	HK\$'000	HK\$'000	HK\$'000 (Note (i))	HK\$'000 (Note (ii))	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022	26,130	297,517	(598)	1,954	–	(304,424)	–	20,579
Loss and total comprehensive expenses for the year	–	–	(275)	–	–	(1,026)	–	(1,301)
Release of financial assets at fair value through other comprehensive income reserve	–	–	873	–	–	(873)	–	–
At 31 March 2023 and 1 April 2023	26,130	297,517	–	1,954	–	(306,323)	–	19,278
Capital contribution from the non-controlling interest of a subsidiary	–	–	–	–	–	–	529	529
Loss and total comprehensive expenses for the year	–	–	–	–	(140)	(187)	(108)	(435)
<b>At 31 March 2024</b>	<b>26,130</b>	<b>297,517</b>	<b>–</b>	<b>1,954</b>	<b>(140)</b>	<b>(306,510)</b>	<b>421</b>	<b>19,372</b>

Notes:

- (i) Financial assets at fair value through other comprehensive income reserve comprises the cumulative net change in the fair value of equity investments designated at fair value through other comprehensive income under HKFRS 9 that are held at the end of the reporting period.
- (ii) The amount represented the equity-settled share-based payments recognised during the year ended 31 March 2015.

# Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(loss) before tax		166	(132)
Adjustments for:			
Depreciation of property, plant and equipment	16	118	182
Depreciation of right-of-use assets	17	556	486
Allowance/(net reversal of allowance) for expected credit losses on trade and other receivables		382	(657)
COVID-19-related rent concessions		–	(271)
Gain on de-registration of a subsidiary	31	–	(22)
Gain on disposal of a subsidiary		–	(103)
Gain on disposals of property, plant and equipment		–	(132)
Finance cost		62	105
Operating cash flows before movements in working capital		1,284	(544)
(Increase)/decrease in inventories		(1,251)	117
(Increase)/decrease in trade receivables		(22,517)	10,937
Increase in prepayments, deposits and other receivables		(5,211)	(122)
Increase/(decrease) in trade payables		16,556	(10,088)
Increase in other payables and accruals		2,496	342
Increase in contract liabilities		5,995	1,409
Cash (used in)/generated from operations		(2,648)	2,051
Income tax refund/(paid)		308	(31)
Net cash (used in)/generated from operating activities		(2,340)	2,020
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(1,090)	(584)
Proceed of disposal of property, plant and equipment	31	–	1,344
Net cash outflow on disposal of a subsidiary		–	(2)
Net cash (used in)/from investing activities		(1,090)	758

# Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance from/(repayment to) shareholders	83	(935)
Capital contribution from non-controlling interest of a subsidiary	529	–
Repayment of lease liabilities	(809)	(1,191)
Net cash used in financing activities	(197)	(2,126)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(3,627)	652
Effect of foreign exchange rate change	(192)	(53)
Cash and cash equivalents at beginning of the year	29,030	28,431
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	25,211	29,030
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	25,211	29,030

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 20 April 2011. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681 KY1-1111, Cayman Islands. The principal place of business is Flat C, 16/F, MG Tower, 133 Hoi Bun Road, Kwun Tong, Hong Kong.

The Company acts as an investment holding company. Principal activities of its subsidiaries are disclosed in Note 30.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. All values are rounded to the nearest thousand (HK\$’000), unless otherwise stated.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
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
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

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

In June 2022 the Hong Kong SAR Government (the “**Government**”) gazette the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”), which will come into effect from 1 May 2025 (the “**Transition Date**”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“**MPF**”) scheme to reduce the long service payment (“**LSP**”) in respect of an employee’s service from the Transition Date (the abolition of the “offsetting mechanism”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date. In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP. However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit.

To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its LSP liability and has applied the above HKICPA guidance retrospectively. The cessation of applying the practical expedient in paragraph 93(b) of HKAS 19 in conjunction with the enactment of the Amendment Ordinance resulted in a catch-up profit or loss adjustment in June 2022 for the service cost up to that date and consequential impacts on current service cost, interest expense and remeasurement effects from changes in actuarial assumptions for the rest of 2022, with the corresponding adjustment to the comparative carrying amount of the LSP liability. This change in accounting policy did not have any material impact on the opening balance of equity at 1 April 2022. It also did not have a material impact on the consolidated statement of financial position as at 31 March 2023 and 31 March 2024.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (CONTINUED)

### New and revised HKFRSs in issue but not yet effective

The Group has not applied any new standard, amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 April 2023. The new standard, amendments to standards and interpretation include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Amendments to HKFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)	1 January 2024
Amendments to HKAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21 – Lack of Exchangeability	1 January 2025
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (“HK Int 5(Revised)“)	1 January 2024

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

### (a) Statement of compliance

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

### (b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 *Leases* and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (c) Basis of consolidation (continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

### (d) Revenue and other income recognition

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs;  
or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) Revenue and other income recognition (continued)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

#### ***Principal versus agent***

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

#### ***Contracts with multiple performance obligations (including allocation of transaction price)***

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

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

#### ***Revenue from IP automation operation and entertainment business***

Revenue from IP automation operation represents the gross pay-ins, less gross payouts to customers and/or the use of the game tokens by the customers. Gross pay-ins represents the amount received from customers in exchange for token used in automation gift machines, thematic game machines, carnival game booths less unutilised games tokens. Gross payouts represents the aggregate cost of prize/merchandise exchanged upon redemption of award points by customers.

Revenue from game services that require game tokens is recognised when the performance obligation of game services is satisfied, which happens when a customer utilises game tokens to complete a game, and the game is finished. Unutilised game tokens represents prepayment for the game services and can be exchanged for game services in the future.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (d) Revenue and other income recognition (continued)

#### ***Revenue from sales of merchandise***

Revenue from sales of merchandise is recognised when the control of the products is transferred to the customer upon sale. Payment of the transaction price is due immediately upon purchase by the customer.

#### ***Services income from IP automation***

The Group recognises services income from IP automation as it fulfills its performance obligation, which includes providing the use of the capsule machines, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as it progresses towards complete satisfaction of the obligation.

#### ***Customer loyalty programme***

The Group operates a loyalty programme where the customers accumulate the award points from the game which entitle them to redeem award points for discounts in exchange of merchandise in future. The transaction price is allocated to the game and the award points on estimation basis for expected value to be entitled in exchange for equivalent value of goods in the future. Revenue from the award points is recognised when the award points are redeemed. Contract liabilities are recognised until the award points are redeemed.

#### ***Revenue from dry bulk shipping and logistic services***

Revenue from time charter of dry bulk shipping and logistic services is recognised on a straight-line basis over the period of each time charter contract.

Revenue from voyage charter of dry bulk shipping and logistic services is recognised based on the time proportion method of each individual voyage contract.

#### ***Revenue from brand management and marketing consulting services***

The Group provides brand management and marketing consulting services to its customers. Under HKFRS 15, the Group has determined that the performance obligation for these services are fulfilled when all relevant duties as stated in the contract are completed. Revenue from brand management and marketing consulting services is recognised at a point in time when all relevant duties as stated in the contract are completed.

#### ***Interest income***

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (e) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss and other comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset or as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

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

Leasehold improvement:	50% or over the shorter of the lease term
Furniture, fixtures and equipment:	20% – 40%
Motor vehicles:	33.33%
Machinery:	25% – 33%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed and adjusted if appropriate, at least at each financial year end.

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

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (f) Leases

#### *Definition of a lease*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application of HKFRS 16, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

#### *The Group as a lessee*

##### *Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

##### *Short-term leases and leases of low-value assets*

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

##### *Right-of-use assets*

The cost of right-of-use asset includes:

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

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (f) Leases (continued)

#### *The Group as a lessee (continued)*

##### *Right-of-use assets (continued)*

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19 related rent concessions in which the Group applied the practical expedient.

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

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

##### *Refundable rental deposits*

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

##### *Lease liabilities*

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

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group entities, which do not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (f) Leases (continued)

#### *The Group as a lessee (continued)*

##### *Lease liabilities (continued)*

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liability as a separate line in the consolidated statement of financial position.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (f) Leases (continued)

#### *The Group as a lessee (continued)*

##### *Lease modifications*

Except for Covid-19 related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivables, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

#### *The Group as a lessor*

##### *Classification and measurement of leases*

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise.



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (f) Leases (continued)

#### *The Group as a lessor (continued)*

##### *Classification and measurement of leases (continued)*

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 Revenue from Contracts with Customers to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

### (g) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

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

#### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (g) Taxation (continued)

#### *Deferred tax (continued)*

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

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

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

Interest income which are derived from the financial assets is presented as other income.

#### **Financial assets**

##### *Classification and subsequent measurement of financial assets*

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

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

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Financial Instruments (continued)

#### *Financial assets (continued)*

##### *Classification and subsequent measurement of financial assets (continued)*

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial application of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

#### Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the financial assets at FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits/will continue to be held in the financial assets at FVTOCI reserve.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other gains and losses" line item in profit or loss.

#### Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Financial Instruments (continued)

#### *Financial assets (continued)*

##### *Impairment of financial assets*

Impairment under expected credit losses (“ECL”) model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, deposits, other receivables and cash and cash equivalents which are subject to impairment under HKFRS 9). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with debtors having similar credit ratings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

##### *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Financial Instruments (continued)

#### *Financial assets (continued)*

##### *Impairment of financial assets (continued)*

Significant increase in credit risk (continued)

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due (except for trade receivables from customers where a shorter period of "past due" has been applied by the directors in view of the nature of business operation and practice in managing the credit risk), unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

##### Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Financial Instruments (continued)

#### *Financial assets (continued)*

##### *Impairment of financial assets (continued)*

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

##### Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

##### Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience and forward looking information that is available without undue cost or effort.

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

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Financial Instruments (continued)

#### ***Financial assets (continued)***

##### *Impairment of financial assets (continued)*

Measurement and recognition of ECL (continued)

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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

#### ***Financial liabilities and equity***

##### *Classification as financial liabilities or equity*

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

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

##### *Financial liabilities at amortised cost*

Financial liabilities (including trade payables, other payables and accruals and loans from shareholders) are subsequently measured at amortised cost, using the effective interest rate method.



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (h) Financial Instruments (continued)

#### ***Financial liabilities and equity (continued)***

##### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis other than those financial liabilities designated as at FVTPL.

##### ***Derecognition***

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained profits/accumulated losses.

Financial liabilities are derecognised when, and only when, the obligation specific in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

##### ***Offsetting a financial asset and a financial liability***

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when, and only when, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### (i) Employee benefits

#### *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the end of the reporting period.

#### *Retirement benefit cost*

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

#### *Termination benefits*

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

#### *Short-term and other long-term employee benefits*

Short-term employee benefits are recognised at the undiscontinued amount of the benefits expected to be paid as and when employees rendered the services. All short-term employees benefits are recognised as an expenses unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRSs requires or permits their inclusion in the cost of an asset.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

### Critical judgments in applying accounting policies, accounting estimates and assumptions

#### *Provision for ECL on trade and other receivables*

The loss allowances for financial assets at amortised cost are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 5(b).

As at 31 March 2024, the net carrying amounts of trade receivables and other receivables were approximately HK\$26,025,000 (2023: HK\$3,896,000) and HK\$103,000 (2023: HK\$70,000), respectively, net of loss allowance of approximately HK\$632,000 (2023: HK\$244,000) and HK\$15,000 (2023: HK\$21,000), respectively. The provision for ECL is sensitive to changes in estimates. Information about the ECL and the Group's trade receivables and other receivables is disclosed in Notes 5(b), 20 and 21.

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### (a) Categories of financial instruments

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Financial assets</b>		
At amortised cost	<b>53,306</b>	34,770
<b>Financial liabilities</b>		
At amortised cost	<b>23,992</b>	4,857

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

The Group's principal financial instruments comprise trade receivables, deposits and other receivables, cash and cash equivalents, trade payables, other payables and accruals and loans from shareholders. The main purpose of these financial instruments is to finance the Group's operations.

The main risks arising from the Group's financial instruments are (i) market risk (including a) foreign currency risk and b) interest rate risk), (ii) credit risk and (iii) liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

#### (i) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured by sensitivity analysis. Details of sensitivity analysis for foreign currency risk and below.

##### a) Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group carries out its business mainly in Hong Kong and all of the transactions are denominated in HK\$. The Group's assets and liabilities are mainly denominated in HK\$, except certain bank balances are denominated in United States dollars ("US\$"), Renminbi ("RMB") and Macanese Pataca ("MOP"). As Hong Kong dollar are pegged to US\$ and MOP, it is assumed that there would be no material currency risk exposure between these three currencies. The Group does not have any formal hedging policies. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The following table indicates the instantaneous change in the Group's loss for the year and equity that would have been arisen if foreign exchange rates to which the Group has significant exposure at the end of reporting period had changed at that day, assuming all other risk variables remained constant.

	<b>Foreign currency strengthened/ (weakened) by</b>	<b>(Decrease)/ decrease in consolidated loss after tax</b> <i>HK\$'000</i>
RMB		
Year ended 31 March 2024	5%/(5%)	(655)/655
Year ended 31 March 2023	5%/(5%)	(1,277)/1,277

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

#### (i) Market risk (continued)

##### b) Interest rate risk

The Group's exposure to interest-rate risk arises from its bank deposits. These deposits bear interests at variable rates varied with the then prevailing market condition. At 31 March 2024 and 31 March 2023, the management of the Group considers that the exposure to the Group arising from interest rate risk is limited and no sensitivity analysis is therefore prepared.

#### (ii) Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to a) trade and other receivables, b) deposits, and c) bank balances. At 31 March 2024, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

##### a) Trade receivables and other receivables

Credit evaluations are performed on all customers requiring credit terms. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as to the economic environment.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arises when the Group has significant exposure to individual customers.

The Group has a concentration of credit risk in certain individual customers. At the end of each reporting period, the five largest receivable balances accounted for approximately 81.8% (2023: approximately 94.1%) of the trade receivables and the largest trade receivable was approximately 25.6% (2023: approximately 49.5%) of the Group's total trade receivables. The Directors closely monitor the risk exposure of the customers and would take appropriate action to ensure the risk exposure is acceptable. The Directors are of the view that the expected cash flow of trade receivables are sufficient to cover the carrying amount of trade receivables as at 31 March 2024.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the management reviews the recoverability of each trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group applies simplified approach on trade receivables to provide for the ECL prescribed by HKFRS 9. The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix based on shared credit risk characteristics by reference to settlement pattern taking into consideration forward-looking information that is reasonable and supportable available without undue cost or effort.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

#### (ii) Credit risk and impairment assessment (continued)

##### a) Trade receivables and other receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 March 2024 and 2023:

	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000
<b>At 31 March 2024</b>			
Within 30 days past due	1.3	21,377	266
31-60 days past due	3.6	20	1
61-90 days past due	3.7	5,001	183
Over 90 days past due	70.1	259	182
	<b>2.4</b>	<b>26,657</b>	<b>632</b>
<b>At 31 March 2023</b>			
Within 30 days past due	2.1	3,830	82
31-60 days past due	5.5	91	5
61-90 days past due	–	–	–
Over 90 days past due	71.7	219	157
	<b>5.9</b>	<b>4,140</b>	<b>244</b>

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

#### (ii) Credit risk and impairment assessment (continued)

##### a) Trade receivables and other receivables (continued)

The closing loss allowances for trade receivables and other receivables as at 31 March 2024 and 2023 reconciled to the opening loss allowances as follows:

	Trade receivables Life-time ECL (Non-credit impaired) HK\$'000	Other receivables Life-time-ECL (Non-credit impaired) HK\$'000	Other receivables Life-time ECL (Credit impaired) HK\$'000	Total HK\$'000
At 1 April 2022	(916)	(6)	(338)	(1,260)
Amounts written off	–	–	338	338
Decrease (increase) in loss allowance recognised in profit or loss during the year	672	(15)	–	657
At 31 March 2023 and at 1 April 2023	(244)	(21)	–	(265)
(Increase)/decrease in loss allowance recognised in profit or loss during the year	(388)	6	–	(382)
<b>At 31 March 2024</b>	<b>(632)</b>	<b>(15)</b>	<b>–</b>	<b>(647)</b>

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than agreed contract terms.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Expected loss rates are based on actual loss experience over the past 3 years and are adjusted for the forward-looking information that is available without undue cost or effort. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables, deposits and other receivables are set out in Notes 20 and 21 to the consolidated financial statement.

The management monitors the financial background and creditability of those debtors on an ongoing basis. The Group seeks to minimise its risk by dealing with counterparties which have good credit history.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

#### (ii) Credit risk and impairment assessment (continued)

##### a) Trade receivables and other receivables (continued)

In determining the ECL of the Group's other receivables, the management assessed the expected credit losses individually by estimation based on historical credit losses experience, general economic conditions of the relevant industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. During the year end 31 March 2024, the Group made reversal of allowance for the expected credit losses related to the other receivables was amount of HK\$6,000 (2023: net allowance of loss for expected credit losses HK\$15,000).

##### b) Deposits

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. The Group has assessed that the expected credit loss rate for these receivables are immaterial under 12 months expected credit losses method. Thus, no loss allowance for deposit was recognised as at 31 March 2024 and 2023.

##### c) Deposits with banks

In respect to the Group's deposit with banks, the Group limits its exposure to credit risk by placing deposits with financial institution with high credit rating and no recent history of default. Given the high credit ratings of the banks, management does not expect any counterparty to fail to meet its obligations. Management will continue to monitor the position and will take appropriate action if their are changed. As at 31 March 2024 and 2023, the Group has no significant concentration of credit risk in relation to deposit with bank.

In these regards, other than the credit risks mentioned above, the management considers the Group does not have any other significant credit risk and the exposures to these credit risks are monitored on an ongoing basis.

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

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



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

#### (ii) Credit risk and impairment assessment (continued)

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

Financial assets at amortised cost	Note	Internal credit rating	12m or lifetime ECL	31 March 2024	Loss	31 March 2023	Loss
				Gross carrying amount HK\$'000	allowance HK\$'000	Gross carrying amount HK\$'000	allowance HK\$'000
Trade receivables	20	Note (i)	Lifetime ECL	26,657	632	4,140	244
Deposits	21	Note (ii)	12m	1,967	-	1,774	-
Other receivables	21	Note (ii)	12m	118	15	91	21
Bank balances	22	Note (iii)	12m	25,211	-	29,030	-

Note:

- (i) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors that are credit-impaired or with significant outstanding balances, the Group determines the ECL on these items by using a provision matrix.
- (ii) For deposits and other receivables, the Group measures the loss allowance equal to 12m ECL. The Group applies internal credit risk management to assess whether credit risk has increased significantly since initial recognition, in which case the Group recognises lifetime ECL. Except for other receivables of HK\$nil (2023: HK\$nil) which are credit-impaired and ECL has been provided amounting of HK\$nil (2023: HK\$nil), respectively, the credit risk on remaining deposit and other receivables are limited because the counter parties have no historical default record and the ECL on these items are considered insignificant.
- (iii) Bank balances are deposited with financial institutions with high credit rating and are considered low credit risk financial assets. The management considers these assets are short-term in nature and the probability of default is negligible as they are banks with high-credit ratings. Therefore, no impairment allowance is made on these balances.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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

#### (iii) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internal funding to meet its working capital requirements.

The Group monitors its risk to a shortage of funds by considering the maturity of both its financial liabilities and financial assets (for example, trade receivables) and projected cash flows from operations.

The maturity profile of the financial liabilities as at the end of the respective reporting periods, based on the contractual undiscontinued payments, is as follows:

#### 31 March 2024

	Weighted average effective interest rate %	Repayable on demand or within 1 year HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total undiscontinued cash flows HK\$'000	Total carrying amount HK\$'000
<b>Non-derivative financial liabilities</b>						
Trade payables	-	17,533	-	-	17,533	17,533
Other payables and accruals	-	5,372	-	-	5,372	5,372
Loans from shareholders	-	1,087	-	-	1,087	1,087
Lease liabilities	12.80	378	-	-	378	371
		<b>24,370</b>	<b>-</b>	<b>-</b>	<b>24,370</b>	<b>24,363</b>

#### 31 March 2023

	Weighted average effective interest rate %	Repayable on demand or within 1 year HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	Total undiscontinued cash flows HK\$'000	Total carrying amount HK\$'000
<b>Non-derivative financial liabilities</b>						
Trade payables	-	977	-	-	977	977
Other payables and accruals	-	2,876	-	-	2,876	2,876
Loans from shareholders	-	1,004	-	-	1,004	1,004
Lease liabilities	12.80	814	379	-	1,193	1,124
		<b>5,671</b>	<b>379</b>	<b>-</b>	<b>6,050</b>	<b>5,981</b>

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) Fair value estimation

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

## 6. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The capital structure of the Group consists of debts which include total liabilities and total equity, mainly comprising issued capital, reserves and accumulated losses.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is total debts divided by total equity. The decrease in gearing ratio was due to the decrease in debt. The gearing ratios at the end of each reporting period were as follows:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Total debts <sup>#</sup>	<b>1,458</b>	2,128
Total equity	<b>19,372</b>	19,278
Gearing ratio	<b>7.5%</b>	11.0%

<sup>#</sup> Total debts represent the loans from shareholders and lease liabilities.

The externally imposed capital requirement for the Group is that, in order to maintain its listing on the Stock Exchange, it has to have a public float of at least 25% of the shares of the Company throughout the year. Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float of at least 25% throughout the year ended 31 March 2024.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 7. SEGMENT INFORMATION

Information reported to the management of the Group, being the chief operating decision maker (“CODM”), for the purpose of resource allocation and assessment of segment performances, focuses on the types of goods or services delivered or provided. This is also the basis upon which the Group is organised and specifically focuses on the Group’s operating divisions. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group’s reportable and operating segments under HKFRS 8 are as follows:

- Dry bulk shipping and logistic services
- IP automation and entertainment business and other

### Segment revenue and results

The following is an analysis of the Group’s revenue and results by reportable segment:

	Dry bulk shipping and logistic services		IP automation and entertainment business and other		Consolidated	
	2024	2023	2024	2023	2024	2023
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Revenue	<b>51,285</b>	73,770	<b>36,892</b>	17,222	<b>88,177</b>	90,992
Segment results	<b>2,696</b>	5,003	<b>1,905</b>	1,003	<b>4,601</b>	6,006
Unallocated corporate expenses					<b>(4,530)</b>	(6,296)
Unallocated corporate income					<b>152</b>	243
Unallocated finance cost					<b>(57)</b>	(85)
Profit/(loss) before tax					<b>166</b>	(132)
Income tax					<b>(461)</b>	(894)
Loss for the year					<b>(295)</b>	(1,026)

Revenue reported was generated from external customers. There were no inter-segment sales during the year ended 31 March 2024 (2023: Nil).

Segment results represent the loss incurred by each segment without allocation of unallocated corporate expenses and income, unallocated finance cost and income tax. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 7. SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities

	Dry bulk shipping and logistic services		IP automation and entertainment business and other		Consolidated	
	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment assets</b>	<b>21,468</b>	6,089	<b>39,234</b>	22,759	<b>60,702</b>	28,848
Unallocated assets					<b>5,493</b>	12,127
Consolidated total assets					<b>66,195</b>	40,975
<b>Segment liabilities</b>	<b>31,131</b>	15,252	<b>15,429</b>	3,959	<b>46,560</b>	19,211
Unallocated liabilities					<b>263</b>	2,486
Consolidated total liabilities					<b>46,823</b>	21,697

For the purpose of monitoring segment performance and allocating resources between segments:

- all assets are allocated to reportable segments other than other corporate financial assets;
- all liabilities are allocated to reportable segments other than other corporate financial liabilities.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 7. SEGMENT INFORMATION (CONTINUED)

### Other segment information

	Dry bulk shipping and logistic services		IP automation and entertainment business		Unallocated		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Other segment information</b>								
Depreciation of property, plant and equipment	-	-	(118)	(10)	-	(172)	(118)	(182)
Depreciation of right-of-use assets	-	-	(556)	(75)	-	(411)	(556)	(486)
Net (allowance) reversal of allowance for expected credit losses on trade and other receivables	(145)	338	(237)	329	-	(10)	(382)	657
Additions to non-current assets*	-	-	1,090	1,503	-	-	1,090	1,503

\* The amount represents additions to property, plant and equipment and right-of-use assets for the years ended 31 March 2024 and 2023.

### Information about major customers

Revenue from major customers, each of them amounted to 10% or more of the Group's revenue, are set out below:

	Year ended 31 March	
	2024 HK\$'000	2023 HK\$'000
Customer A <sup>1</sup>	30,080	73,040
Customer B <sup>2*</sup>	N/A	12,631

\* The customer did not contribute over 10% of the total revenue of the Group for the year presented above.

Note:

<sup>1</sup> Revenue from the dry bulk shipping and logistic services segment.

<sup>2</sup> Revenue from the IP automation and entertainment business.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 7. SEGMENT INFORMATION (CONTINUED)

### Geographical information

The Group's operations are located in Hong Kong and overseas.

The revenues generated from IP automation and entertainment business mainly in Hong Kong and Mainland China and provision of dry bulk shipping and logistic services are classified into international shipping. For the geographical information, freight revenues from dry bulk shipping and logistic services are analysed based on the destination of the ports at different geographical territories.

	Revenue	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong	19,749	14,440
Mainland China	16,186	2,978
Macau	6,968	–
Benin	–	4,320
Brazil	–	7,716
Egypt	10,200	4,046
Indonesia	3,802	11,397
Belgium	7,399	–
Spain	–	6,748
Turkey	1,396	7,536
Tanzania	4,878	–
The United States of America	–	16,999
Others	17,599	14,812
	<b>88,177</b>	<b>90,992</b>

	Non-current assets	
	2024	2023
	HK\$'000	HK\$'000
Hong Kong	289	757
Mainland China	1,090	180
	<b>1,379</b>	<b>937</b>

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 8. REVENUE AND OTHER GAINS AND LOSSES

Revenue represents the aggregate of the amounts received and receivable from third parties. Revenue from dry bulk shipping and logistic business and IP automation and entertainment business recognised during the years are as following:

	Year ended 31 March	
	2024 HK\$'000	2023 HK\$'000
<b>Revenue from contracts with customers under HKFRS 15</b>		
<b>Disaggregation of revenue from contracts with customers</b>		
Dry bulk shipping and logistic services income	51,285	73,770
Revenue from IP automation and entertainment business	15,896	13,578
Sales of merchandises	349	326
Brand management and marketing consulting services	20,089	2,978
Revenue from contracts with customers	87,619	90,652
<b>Revenue from other source</b>		
Income from sub-leasing the entertainment location	558	340
	<b>88,177</b>	<b>90,992</b>
<b>Timing of revenue recognition from contracts with customers under HKFRS 15:</b>		
– At a point in time	21,224	3,938
– Over time	66,395	86,714
	<b>87,619</b>	<b>90,652</b>

### **Performance obligations for contracts with customers**

Details of performance obligations for contracts with customers for the years ended 31 March 2024 and 2023 are set out in Note 3(d).

### **Transaction price allocated to the remaining performance obligation for contracts with customers**

The Group is using the practical expedient in paragraph 121 of HKFRS 15 to exempt itself from disclosing the aggregate amount and the timing of recognition of the unsatisfied (or partially unsatisfied) performance obligation as of the end of the reporting period, because the relevant contracts were either:

- contracts with customers which have an original expected duration of one year or less, or
- contracts which entitle the Group a right to consideration from customers that corresponds directly with the value of the Group's performance completed to date.



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 8. REVENUE AND OTHER GAINS AND LOSSES (CONTINUED)

Other gains and losses during the years are as follows:

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Bank interest income	278	71
Government grants (Note)	–	168
COVID-19 related rent concessions	–	271
Gain on disposal of a subsidiary (Note 31)	–	103
Gain on disposals of property, plant and equipment	–	132
Sundry income	8	124
Gain on de-registration of a subsidiary	–	22
Exchange gain/(loss)	24	(373)
	<b>310</b>	<b>518</b>

Note: During the year ended 31 March 2023, the Group recognised government grant of approximately HK\$168,000 in respect of COVID-19 related subsidies which is related to Employment Support Scheme provided by the Hong Kong government. As there were no unfulfilled conditions or other contingencies attached to this grant, it was recognized as income when received by the Group.

## 9. FINANCE COST

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Interests on lease liabilities	62	105

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 10. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Employee benefit expenses (including directors' and chief executive officers' emoluments) (Note 11)		
– Wages, salaries, allowance and bonus	10,156	7,573
– Contribution to retirement benefits schemes	815	323
	<b>10,971</b>	<b>7,896</b>
Net allowance/(reversal of allowance) for expected credit losses on trade and other receivables:		
– Allowance/(reversal of allowance) for expected credit losses on trade receivables	388	(672)
– (Reversal of allowance)/allowance for expected credit losses on other receivables	(6)	15
	<b>382</b>	<b>(657)</b>
Cost of inventories sold	721	117
Depreciation of property, plant and equipment (Note 16)	118	182
Depreciation of right-of-use assets (Note 17)	556	486
Auditors' remuneration	690	630
Expense relating to short term leases and leases of low value assets	702	83

## 11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

Details of directors' and chief executive officer's emoluments are as follows:

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Fee	342	356
Other emoluments:		
– Salaries and allowance	1,090	1,096
– Bonus	–	90
– Contribution to retirement benefits schemes	36	48
	<b>1,468</b>	<b>1,590</b>

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

The emoluments paid or payable to each of the four (2023: four) directors and the chief executive officer were as follows:

Name of directors	Fee		Salaries		Bonus		Retirement benefits contribution		Total	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
<b>Executive directors</b>										
Ms. Ho Chiu Ha Maisy (Chairman)	-	-	-	-	-	-	-	-	-	-
Mr. Wang Qiang (Chief Executive Officer) (Note)	-	-	-	-	-	-	-	-	-	-
Mr. Lau Ling Tak	-	-	1,090	1,096	-	90	18	17	1,108	1,203
Ms. Man Wing Yee Ginny	-	-	-	-	-	-	-	-	-	-
	-	-	1,090	1,096	-	90	18	17	1,108	1,203
<b>Independent-non-executive directors</b>										
Mr. Siu Chi Yiu Kenny	114	118	-	-	-	-	6	11	120	129
Mr. Lee Chi Keung Jim	114	119	-	-	-	-	6	10	120	129
Dr. Chow Ho Wan Owen (Note (b))	114	119	-	-	-	-	6	10	120	129
	342	356	-	-	-	-	18	31	360	387
Total	342	356	1,090	1,096	-	90	36	48	1,468	1,590

Note: Mr. Wang Qiang deceased on 28 July 2022.

No remuneration was paid or payable by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2023: Nil).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2023: Nil).

Save as disclosed in Note 33 to the consolidated financial statement, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 12. EMPLOYEES' EMOLUMENTS

### Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included one executive director (2023: one) whose emoluments was reflected in the analysis presented in Note 11 to the consolidated financial statements. The emolument of the remaining four individual (2023: four) was as follows:

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Salaries	2,449	2,393
Allowances and bonuses	–	138
Contribution to retirement benefits schemes	54	51
	<b>2,503</b>	<b>2,582</b>

The emolument of the four (2023: four) individuals who are non-director, with the highest emoluments are within the following band:

	Number of individuals	
	Year ended 31 March	
	2024	2023
Nil to HK\$1,000,000	4	4

No emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as a compensation for loss of office (2023: Nil).

## 13. INCOME TAX EXPENSE

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Current tax – Hong Kong		
Provision for the year	493	789
Deferred tax	(32)	105
	<b>461</b>	<b>894</b>

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of a Group's qualifying corporations established in Hong Kong will be taxed at 8.25% (2023: 8.25%), and assessable profits above HK\$2 million will be taxed at 16.5% (2023: 16.5%). The assessable profits of other Group's corporation not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2023: 16.5%).

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 13. INCOME TAX EXPENSE (CONTINUED)

Taxation in other jurisdictions are calculated at the rates prevailing in the respective jurisdictions. No provision for such tax has been made as the Group had no assessable profit in other jurisdictions for the years ended 31 March 2024 and 2023.

The tax expense for the year can be reconciled to the profit/(loss) before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Profit/(loss) before tax	166	(132)
Tax expenses at the Hong Kong Profits Tax rate of 16.5%	27	(22)
Tax effect of:		
Tax at 8.25% on first HK\$2 million assessable profit	(354)	(165)
Tax effect of income not taxable for tax purposes	(277)	(169)
Tax effect of expenses not deductible for tax purposes	222	71
Tax effect of tax losses not recognised	940	1,199
Effect of different tax rates of subsidiaries	(91)	(3)
One off reduction of Hong Kong Profits Tax by Inland Revenue Department	(6)	(17)
Tax expenses for the year	461	894

## 14. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend in respect of the year ended 31 March 2024 (2023: Nil).

## 15. LOSS PER SHARE

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

	Year ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share	(187)	(1,026)

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 15. LOSS PER SHARE (CONTINUED)

	Year ended 31 March	
	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<b>2,612,959</b>	2,612,959

For the years ended 31 March 2024 and 2023, the Company's outstanding share options were not included in the calculation of diluted loss per share because the effect of the Company's outstanding share options were anti-dilutive and therefore the diluted loss per share are the same as the basic loss per share.

## 16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement <i>HK\$'000</i>	Furniture, fixtures and equipment <i>HK\$'000</i>	Machinery <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Cost</b>				
At 1 April 2022	1,699	320	1,512	3,531
Additions	–	63	1,239	1,302
Disposal	–	–	(1,418)	(1,418)
At 31 March 2023 and 1 April 2023	1,699	383	1,333	3,415
Additions	<b>898</b>	<b>80</b>	<b>112</b>	<b>1,090</b>
At 31 March 2024	<b>2,597</b>	<b>463</b>	<b>1,445</b>	<b>4,505</b>
<b>Accumulated depreciation and impairment</b>				
At 1 April 2022	1,547	298	1,512	3,357
Charge for the year	152	26	4	182
Disposal	–	–	(206)	(206)
At 31 March 2023 and 1 April 2023	<b>1,699</b>	<b>324</b>	<b>1,310</b>	<b>3,333</b>
Charge for the year	<b>76</b>	<b>15</b>	<b>27</b>	<b>118</b>
At 31 March 2024	<b>1,775</b>	<b>339</b>	<b>1,337</b>	<b>3,451</b>
<b>Carrying amounts</b>				
<b>At 31 March 2024</b>	<b>822</b>	<b>124</b>	<b>108</b>	<b>1,054</b>
At 31 March 2023	–	59	23	82

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 March 2024, the management is of the opinion that since the IP automation and entertainment business segment strive to recover from the loss-making situation, there is no indication that property, plant and equipment and right of use assets within IP automation and entertainment business segment may be impaired. The management assessed and reviewed the recoverable amount of cash-generating unit. No impairment loss was identified for property, plant and equipment and right of use assets.

## 17. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

### Right-of-use assets

	<b>Leased properties</b>	
	<i>HK\$'000</i>	
<b>At 31 March 2024</b>		
<b>Carrying amount</b>		<b>253</b>
At 31 March 2023		
Carrying amount		815
<b>For the year ended 31 March 2024</b>		
<b>Depreciation charge</b>		<b>556</b>
For the year ended 31 March 2023		
Depreciation charge		486
	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Reassessment due to lease modification	–	557
Addition to right-of-use assets	–	201

The Group does not have the option to purchase the right-of-use assets for a nominal amount at the end of the lease terms.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 17. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

### Lease liabilities

	<b>Leased properties</b> <i>HK\$'000</i>
At 1 April 2022	1,723
Reassessment due to lease modification	557
Addition	201
Interest on lease liabilities	105
Lease payments	(1,191)
COVID-19-related rent concessions	(271)
At 31 March 2023 and 1 April 2023	<b>1,124</b>
Interest on lease liabilities	<b>62</b>
Lease payments	<b>(809)</b>
Exchange difference	<b>(6)</b>
<b>At 31 March 2024</b>	<b>371</b>

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income in relation to lease are as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on lease liabilities	<b>62</b>	105
Depreciation of right-of-use assets	<b>556</b>	486
Expenses relating to short-term leases	<b>702</b>	83
Total amount recognised in the consolidated statement of profit or loss and other comprehensive income	<b>1,320</b>	674



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 17. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

### Lease liabilities (continued)

The total cash outflow for leases is disclosed in Note 34 to the consolidated financial statements.

	2024 HK\$'000	2023 HK\$'000
Analysed into:		
– Current	371	751
– Non-current	–	373
	<b>371</b>	1,124
Minimum lease payments due:		
– Within one year	378	814
– More than one year but not later than two years	–	379
	<b>378</b>	1,193
Less: Future finance charges	<b>(7)</b>	(69)
Present value of lease liabilities	<b>371</b>	1,124

## 18. DEFERRED TAX

The following are the deferred tax assets recognised by the Group.

	ECL provision HK\$'000
At 1 April 2022	145
Debited to profit or loss for the year	(105)
At 31 March 2023 and 1 April 2023	40
Credited to profit or loss for the year	32
At 31 March 2024	72

At the end of the reporting period the Group has unused tax losses of approximately HK\$75,365,000 (2023: approximately HK\$69,952,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$1,170,000 (2023: HK\$619,000) that will expire within 5 years. Other tax losses may be carried forward indefinitely.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 19. INVENTORIES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Finished goods – prize and merchandise	1,415	164

## 20. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	26,657	4,140
Less: Allowance for expected credit losses on trade receivables	(632)	(244)
	<b>26,025</b>	3,896

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current to 30 days	21,111	3,748
31 – 60 days	19	86
61 – 90 days	4,818	–
Over 91 days	77	62
	<b>26,025</b>	3,896

The Group's trading term with its clients is, in general, due upon the issuance of invoices. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

A loss allowance for expected credit losses on trade receivables of approximately HK\$388,000 (2023: reversal of loss allowance for expected credit losses on trade receivables of approximately HK\$672,000) have been recognised to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2024.

Details of impairment assessment of trade receivables for the years ended 31 March 2024 and 2023 are set out in Note 5(b) to the consolidated financial statements.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Prepayments	10,095	5,104
Deposits	1,967	1,774
Other receivables	118	91
	<b>12,180</b>	6,969
Less: Allowance for expected credit losses on other receivables	<b>(15)</b>	(21)
	<b>12,165</b>	6,948

Reversal for allowances of loss for expected credit losses on deposits and other receivables of approximately HK\$6,000 have been recognised to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2024 (2023: Net allowance of loss for expected credit losses approximately HK\$15,000).

Details of impairment assessment of deposits and other receivables for the years ended 31 March 2024 and 2023 are set out in Note 5(b) to the consolidated financial statements.

## 22. CASH AND CASH EQUIVALENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Cash at banks and on hand	25,211	29,030

The bank balances are deposited with creditworthy banks with no recent history of default.

The bank and cash balances of the Group are denominated in the following currencies:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
HK\$	18,581	8,432
US\$	4,575	20,251
RMB	469	347
MOP	1,586	–
	<b>25,211</b>	29,030

As at 31 March 2024, the bank balances of the Group's subsidiaries in the PRC denominated in RMB and deposited with banks in the PRC were amounted to approximately HK\$469,000 (2023: HK\$347,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations. However, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 23. TRADE PAYABLES

An ageing analysis of trade payables, based on the invoices date, is as follows:

	2024 HK\$'000	2023 HK\$'000
Current to 30 days	17,533	977

The credit periods granted by suppliers normally range from 30 to 60 days.

## 24. OTHER PAYABLES AND ACCRUALS

	2024 HK\$'000	2023 HK\$'000
Other payables	2,981	831
Accruals	2,391	2,045
	5,372	2,876

## 25. CONTRACT LIABILITIES

	2024 HK\$'000	2023 HK\$'000
Unutilised game token, gift card and customer loyalty program point ( <i>Note</i> )	931	495
Receipts in advance	10,254	4,695
	11,185	5,190

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	Unutilised game token, gift card and customer loyalty program point HK\$'000	Receipts in advance HK\$'000
<b>For the year ended 31 March 2024</b>		
Revenue recognised that was included in the contract liability balance at the beginning of the year	495	4,695
Revenue recognised from performance obligations satisfied in prior periods	–	–
<b>For the year ended 31 March 2023</b>		
Revenue recognised that was included in the contract liability balance at the beginning of the year	483	3,298
Revenue recognised from performance obligations satisfied in prior periods	–	–

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 25. CONTRACT LIABILITIES (CONTINUED)

Movements in contract liabilities of unutilised game token, gift card and customer loyalty program point:

	2024 HK\$'000	2023 HK\$'000
Balance at 1 April	5,190	3,781
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period	(5,190)	(3,781)
Increase in contract liabilities as a result of billing in advance of installation services	11,109	5,120
Increase in contract liabilities as a result of accruing interest expenses on advances	76	70
Balance at 31 March	<b>11,185</b>	5,190

*Note:* Based on the recent trends by customers that the unutilised game token, gift card and customer loyalty program points will be normally redeemed within one year from purchase.

## 26. LOANS FROM SHAREHOLDERS

The loans from shareholders were unsecured, interest-free and repayable on demand.

## 27. SHARE CAPITAL

	Number of shares		Share Capital	
	2024 '000	2023 '000	2024 '000	2023 '000
Ordinary shares of HK\$0.01 each				
<b>Authorised:</b>				
Balance at the beginning and at the end of the year	<b>20,000,000,000</b>	20,000,000,000	<b>200,000,000</b>	200,000,000
<b>Issued and fully paid:</b>				
Balance at the beginning year and at the end of the year	<b>2,612,959</b>	2,612,959	<b>26,130</b>	26,130

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 28. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 HK\$'000	2023 HK\$'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in subsidiaries	21	21
Property, plant and equipment	–	2
Right-of-use assets	230	689
	<b>251</b>	712
<b>Current assets</b>		
Prepayments, deposits and other receivables	388	385
Amounts due from subsidiaries	8,850	12,545
Cash and cash equivalents	5,360	11,053
	<b>14,598</b>	23,983
<b>Current liabilities</b>		
Other payables and accruals	970	910
Lease liabilities	346	648
Loans from shareholders	582	582
Amounts due to subsidiaries	12,551	10,006
	<b>14,449</b>	12,146
<b>Net current assets</b>	<b>149</b>	11,837
<b>Total assets less current liabilities</b>	<b>400</b>	12,549
<b>Non-current liabilities</b>		
Lease liabilities	–	346
<b>Net asset</b>	<b>400</b>	12,203
<b>EQUITY</b>		
Share capital (Note 27)	26,130	26,130
Reserves (Note 29)	(25,730)	(13,927)
<b>Total equity</b>	<b>400</b>	12,203

Approved and authorised for the issue by the board of directors on 28 June 2024 and signed on its behalf by:

**Ms. Man Wing Yee Ginny**  
Director

**Mr. Lau Ling Tak**  
Director

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 29. RESERVES OF THE COMPANY

	Share premium <i>HK\$'000</i>	Financial assets at fair value through other comprehensive income reserve <i>HK\$'000</i>	Share option reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2022	297,517	(598)	1,954	(306,886)	(8,013)
Loss and total comprehensive expenses for the year	–	(275)	–	(5,639)	(5,914)
Release of financial assets at fair value through other comprehensive income reserve	–	873	–	(873)	–
<b>At 31 March 2023 and 1 April 2023</b>	<b>297,517</b>	<b>–</b>	<b>1,954</b>	<b>(313,398)</b>	<b>(13,927)</b>
Loss and total comprehensive expenses for the year	–	–	–	(11,803)	(11,803)
<b>At 31 March 2024</b>	<b>297,517</b>	<b>–</b>	<b>1,954</b>	<b>(325,201)</b>	<b>(25,730)</b>

Note:

### Distributable Reserves

As at 31 March 2024, the Company's reserves available for cash distribution and/or distribution in specie, calculated in accordance with the Companies Law (2003 Revision) of the Cayman Islands to members amounted to Nil (2023: Nil) which comprised share premium of approximately HK\$297,517,000 (2023: approximately HK\$297,517,000) and deficit balance of accumulated losses of approximately HK\$325,201,000 (2023: HK\$313,398,000).

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 30. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 31 March 2024 were as follows:

Name of company	Place of incorporation/ registration/ principal place of business	Nominal value of issued ordinary share capital	Percentage of equity and voting rights attributable to the Company				Principal activities
			2024		2023		
			Directly	Indirectly	Directly	Indirectly	
Evershining International Logistics Limited	Hong Kong	HK\$10,000	–	100	–	100	Provision of dry bulk shipping services
Evershining International Shipping Limited	Hong Kong	HK\$10,000	–	100	–	100	Provision of dry bulk shipping services
Wider Yield Limited	Hong Kong	HK\$10,000	100	–	100	–	IP automation and entertainment business
Greater Yield Logistics Limited	Hong Kong	HK\$10,000	100	–	100	–	Sales of merchandise
Wider Yield (Macau) Limited	Macau	MOP25,000	–	100	–	100	IP automation and entertainment business
深圳市恆富輝科技有限公司	Mainland China	RMB5,000,000	–	100	–	100	IP automation and entertainment business
恆富輝貨運代理(深圳)有限公司	Mainland China	RMB5,000,000	–	100	–	100	Provision of dry bulk shipping services
深圳市御之家文化傳媒有限責任公司	Mainland China	RMB1,000,000	–	51	–	–	IP automation and entertainment business

The above table lists the subsidiaries of the Group, which, in the opinion of the directors, principally affected the results or assets of the Group. The directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length.



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 31. DISPOSAL OF A SUBSIDIARY AND DE-REGISTRATION OF A SUBSIDIARY

### (a) Disposal of a subsidiary

On 7 November 2022, the Company disposed its 100% equity interests in Chanceton Consulting Limited to an individual third party at a total consideration of HK\$1.

Details of the assets and liabilities disposed of, and the calculation of the gain on disposal, are disclosed below:

#### (i) Consideration receivable

	HK\$'000
Consideration receivable to be satisfied by cash	*–

#### (ii) Analysis of assets and liabilities over which control was lost

	HK\$'000
Cash and cash equivalents	2
Other payables	(105)
Net liabilities disposed of	(103)

#### (iii) Gain on disposal of a subsidiary

	HK\$'000
Consideration receivable to be satisfied by cash	*–
Net liabilities disposal of	103
Gain on disposal of a subsidiary (Note 8)	103

#### (iv) Net cash outflow from disposal of a subsidiary

	HK\$'000
Cash and cash equivalent balances being disposal of	(2)
Net cash outflow from disposal of a subsidiary	(2)

\* The total consideration of disposal a subsidiary is HK\$1.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 31. DISPOSAL OF A SUBSIDIARY AND DE-REGISTRATION OF A SUBSIDIARY (CONTINUED)

### (b) De-registration of a subsidiary

A wholly owned subsidiary, Chanceton Alliance (II) Investments Holdings Limited de-registered on 21 December 2022.

Details of the assets and liabilities disposed of, and the calculation of the gain on de-registration of a subsidiary, are disclosed below:

#### (i) Analysis of assets and liabilities over which control was lost

	<i>HK\$'000</i>
Other payables	(22)
Net liabilities disposed of	(22)

#### (ii) Gain on de-registration of a subsidiary

	<i>HK\$'000</i>
Consideration receivable to be satisfied by cash	–
Net liabilities disposal of	22
Gain on disposal of a subsidiary (Note 8)	22

#### (iii) Net cash outflow from de-registration of a subsidiary

	<i>HK\$'000</i>
Net cash outflow from de-registration of a subsidiary	–

## 32. SHARE OPTION SCHEME

The Company conditionally operates a share option scheme (“Share Option Scheme”) for the purpose of attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group. The Share Option Scheme was adopted on 21 September 2011 and, unless otherwise terminated by ordinary resolution in general meeting or the board of directors, will remain in full force for ten years from that date.

The eligible persons of the Share Option Scheme include directors, employee, consultants or advisers, provider of goods or services, customers, holder of securities issued by the member of the Group and any other person has contributed to the Group (the “Eligible Persons”).

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 32. SHARE OPTION SCHEME (CONTINUED)

The subscription price of the share options shall be a price determined by the board of directors and shall be at least the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotation sheet on the offer date; (ii) the average of the closing prices per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; or (iii) the nominal value of the share.

The Eligible Person shall accept the offer or be deemed to have declined it at the date not later than ten business days after the offer date, provided that no such offer shall be open for acceptance after the tenth anniversary of the date of adoption of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions of the Share Option Scheme. The amount payable by the grantee to the Company on acceptance of the offer shall be a nominal amount to be determined by the board of directors.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the total number of shares in issue as at the date of approval of the Share Option Scheme.

On 25 September 2013, the shareholders of the Company had approved the refreshment of the 10% scheme mandate limit on the grant of options under the Share Option Scheme. Options previously granted will not be counted for the purpose of calculating the scheme mandate limit as refreshed. Based on 2,220,000,000 shares of the Company in issue as at the date of refreshment, the directors were authorised to issue options to subscribe for a total of 222,000,000 shares of the Company, representing 10% of the total number of shares of the Company in issue as at the date of refreshment.

The total number of shares issued and to be issued upon exercise of the options granted to each Eligible Person (including both exercised and outstanding options under the Share Option Scheme) in any twelve-month period must not exceed 1% of the issued share capital of the Company. Any grant of share options in excess of the above limit is subject to the approval from the shareholders in general meeting.

The following table discloses movements of the Company's share options granted pursuant to the Share Option Scheme:

### Year ended 31 March 2024

Participant	Options type	Date of grant	Exercise price per share HK\$	Fair value at grant date per share HK\$	Exercise period	As at 1 April 2023 '000	Granted during the year '000	Exercised during the year '000	Cancelled during the year '000	Lapsed during the year '000	As at 31 March 2024 '000
Employees other than directors	2014	17/9/2014	0.68	0.13027	17/9/2014–16/9/2024	12,500	-	-	-	-	12,500
Consultant	2014	17/9/2014	0.68	0.13027	17/9/2014–16/9/2024	2,500	-	-	-	-	2,500
						15,000	-	-	-	-	15,000

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 32. SHARE OPTION SCHEME (CONTINUED)

Year ended 31 March 2023

Participant	Options type	Date of grant	Exercise price per share HK\$	Fair value at grant date per share HK\$	Exercise period	As at 1 April 2022 '000	Granted during the year '000	Exercised during the year '000	Cancelled during the year '000	Lapsed during the year '000	As at 31 March 2023 '000
Employees other than directors	2014	17/9/2014	0.68	0.13027	17/9/2014–16/9/2024	12,500	-	-	-	-	12,500
Consultant	2014	17/9/2014	0.68	0.13027	17/9/2014–16/9/2024	2,500	-	-	-	-	2,500
						15,000	-	-	-	-	15,000

For equity-settled share-based payments with parties other than employees, the Group has the presumption that the fair values of the services received cannot be estimated reliably. As in the opinion of the Directors, the Group measured the services received from these parties and its fair value is approximate to the fair values of the share options granted using the black-scholes option pricing model, at the date these parties rendered related services to the Group.

No share option had been granted, exercised, lapsed or cancelled during the years ended 31 March 2024 and 2023.

## 33. MATERIAL RELATED PARTIES TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, during the year the Group had the following transactions with related parties:

### Key management personnel remuneration

Remuneration for key personnel management, including emoluments paid to the Company's directors and certain highest paid employees of the Group, as disclosed in Note 11 to the consolidated financial statements, are as follows:

	2024 HK\$'000	2023 HK\$'000
Short-term employees benefits	1,432	1,542
Post-employment benefits	36	48
Total	1,468	1,590

### Sales of merchandise to directors

During the year ended 31 March 2024, sales of merchandise to directors was approximately HK\$nil (2023:HK\$4,000).

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Loan from shareholders <i>HK\$'000</i>	Lease liabilities <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2022	1,939	1,723	3,662
<b>Changes from financing cash flows:</b>			
Repayment to shareholders	(935)	–	(935)
Repayment of lease liabilities	–	(1,191)	(1,191)
Total changes in financing cash flows	(935)	(1,191)	(2,126)
<b>Non-cash changes:</b>			
Finance cost	–	105	105
COVID-19-related rent concessions	–	(271)	(271)
New lease entered	–	201	201
Reassessment due to lease modification	–	557	557
Total non-cash changes	–	592	592
At 31 March 2023 and at 1 April 2023	1,004	1,124	2,128
<b>Changes from financing cash flows:</b>			
Advance from shareholders	83	–	83
Repayment of lease liabilities	–	(809)	(809)
	83	(809)	(726)
<b>Non-cash changes:</b>			
Exchange difference	–	(6)	(6)
Finance cost	–	62	62
	–	56	56
<b>At 31 March 2024</b>	<b>1087</b>	<b>371</b>	<b>1,458</b>

## 35. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2023, the Group entered into new lease agreements for staff quarters with lease term of 1 to 2 years. On the lease commencement, the Group recognised HK\$201,000 of right-of-use assets and lease liabilities respectively. During the year ended 31 March 2023, the Group had non-cash lease modifications which increased right-of-use assets and lease liabilities by HK\$557,000 each, due to a lease extension. During the year ended 31 March 2024, the Group has neither new lease agreements nor lease modifications.

## 36. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 June 2024.

# Financial Summary

For the year ended 31 March 2024

	For the year ended 31 March				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
<b>Results</b>					
Revenue	<b>88,177</b>	90,992	47,939	7,175	49,502
Loss for the year attributable to the owners of the Company	<b>(187)</b>	(1,026)	(4,972)	(8,152)	(39,512)
Dividends	–	–	–	–	–

	As at 31 March				
	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
<b>Assets and liabilities</b>					
Total assets	<b>66,195</b>	40,975	51,569	33,263	53,631
Total liabilities	<b>(46,823)</b>	(21,697)	(30,990)	(17,161)	(29,410)
Total equity	<b>19,372</b>	19,278	20,579	16,102	24,221

Note:

The summary above does not form part of the audited consolidated financial statements.