華邦科技控股有限公司

HUABANG TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 3638)

2024
ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Cheung Lit Wan Kenneth *(Chairman)*
(appointed on 2 July 2024)
Mr. Chan Wing Sum *(Chief Executive Officer)*
(appointed on 24 August 2023)
Mr. Qu Hongqing
Ms. Luo Ying *(appointed on 5 April 2024)*
Ms. Kwok Ling Yee Pearl Elizabeth *(appointed on 24 August 2023 and resigned on 5 April 2024)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Loo Hong Shing Vincent
Mr. Zhu Shouzhong
Mr. Li Huaqiang

AUTHORISED REPRESENTATIVES

Mr. Qu Hongqing
Mr. So Wing Chun *(appointed on 1 April 2024)*
Mr. Wong Kwok Ming *(resigned on 1 April 2024)*

COMPANY SECRETARY

Mr. So Wing Chun *(appointed on 1 April 2024)*
Mr. Wong Kwok Ming *(resigned on 1 April 2024)*

AUDIT COMMITTEE

Mr. Loo Hong Shing Vincent *(Chairman)*
Mr. Zhu Shouzhong
Mr. Li Huaqiang

REMUNERATION COMMITTEE

Mr. Loo Hong Shing Vincent *(Chairman)*
Mr. Qu Hongqing
Mr. Li Huaqiang

NOMINATION COMMITTEE

Mr. Loo Hong Shing Vincent *(Chairman)*
Mr. Qu Hongqing
Mr. Li Huaqiang

CORPORATE GOVERNANCE COMMITTEE

Mr. Qu Hongqing *(Chairman)*
Mr. Loo Hong Shing Vincent
Mr. Li Huaqiang

REGISTERED OFFICE

PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

33/F, Enterprise Square Three
39 Wang Chiu Road
Kowloon Bay
Kowloon, Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
Bank of Communications (Hong Kong) Limited
China Everbright Bank Co., Ltd. Hong Kong Branch
China Guangfa Bank Co., Ltd. Hong Kong Branch
China Merchants Bank Co., Ltd. Hong Kong Branch
Chiyu Banking Corporation Limited
Chong Hing Bank Limited
DBS Bank (Hong Kong) Limited
Dah Sing Bank, Limited
Hang Seng Bank Limited
OCBC Wing Hang Bank Limited
Standard Chartered Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

CORPORATE INFORMATION

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law
Simmons & Simmons
30/F, One Taikoo Place
979 King's Road
Hong Kong

As to Cayman Islands law
Maples and Calder (Hong Kong) LLP
26/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

AUDITOR

Baker Tilly Hong Kong Limited
Certified Public Accountants
Level 8, K11 ATELIER King's Road
728 King's Road, Quarry Bay
Hong Kong

STOCK CODE

3638

COMPANY WEBSITE ADDRESS

www.huabangtechnology.com
(information contained in this website does not form part of this report)

FINANCIAL SUMMARY

FINANCIAL SUMMARY

A summary of the results and the financial position of the Group for the last five financial years is set out as follows:

	Year ended 31 March				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Results					
Revenue	**357,111**	456,565	1,702,549	2,023,680	933,638
Gross profit	**14,204**	5,908	38,448	62,756	66,157
Profit/(Loss) before income tax	**11,142**	(109,659)	(259,605)	(105,910)	15,339
Profit/(Loss) for the year	**11,027**	(129,974)	(239,419)	(93,448)	9,742
Profit/(Loss) for the year attributable to owners of the Company	**14,759**	(127,605)	(241,018)	(93,108)	5,607
Financial position					
Total assets	**478,159**	437,887	514,774	935,989	1,061,936
Total liabilities	**198,920**	251,605	220,074	402,113	435,013
Total equity	**279,239**	186,282	294,700	533,876	626,923

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors (the "Board") of Huabang Technology Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2024 (the "Current Year") to shareholders for review.

During the year under review, the Group was principally engaged in (i) computer and electronic products trading business, (ii) food trading business and (iii) financial services business (including securities brokerage business, advisory services business and money lending business).

During the year under review, the world economic situation became more complex, severe and uncertain under the international backdrop of global inflation and geopolitical turmoil. China continued to face the triple pressure of shrinkage on the demand side, trade stagnation and weakening expectations. Under this unfavourable economic and market environment, the Group faced many challenges in its operations. The Group is committed to adjusting its business structure, optimising its resource allocation and structure to effectively resist adverse market impacts. The Group also achieved remarkable results in optimizing its financial structure, successfully turning losses into profits and achieving gratifying results. The profit for the year attributable to owners of the Company was approximately HK$14.76 million, as compared to the loss attributable to owners of the Company of approximately HK$127.61 million in last year, successfully turning losses into profits in the Current Year, mainly due to the increase in the Group's overall gross profit, the decrease in the provision for credit losses on accounts receivable, the reversal of expected credit losses on loans receivable, and the absence of goodwill impairment losses for the Current Year.

In view of the current market conditions, the Group has maintained its strategic focus, continued its steady and progressive development strategy, and strictly controlled its existing computer and electronic products trading business and food trading business to enhance the efficiency of the control side and to save control costs, which has served as a safeguard for the Group's development. At the same time, the Group actively responded to the economic situation and policy adjustments, strengthened the advantages of its existing money lending business, and accelerated the expansion and transformation of its financial services business. The Group also reorganized and integrated its organizational structure at the Group level to optimize the allocation of resources, aiming to lay a good foundation for the parallel development of its business in the future. The Group disposed of assets in a timely manner, actively resolved the related credit and debt risks, striving to break through the difficulties left over from history to ensure the normal operation of various businesses. The Group endeavored to seek cooperation and potential business possibilities in the industry and introduced partners; and made efforts to adjust its business strategies and resource allocation on the basis of observing market trends.

For the financial services business, the contribution of this business to the Group's results has fluctuated over the years. The global economic situation has been affected and continued to deteriorate since the COVID-19 pandemic, resulting in continued volatility in financial markets. The slowdown in PRC's economy has also had a significant impact on the overall business environment of the financial services business. This impact was particularly unfavorable to the Group's own small brokerage business and money lending business. Therefore, during the Current Year, the Group actively adopted a forward-looking strategic layout to drive the shift of its business focus to a direction with high competitiveness and development potential, in order to cultivate a new performance growth engine for the Group. During the Current Year, the Group made financial investments in the insurance brokerage business in order to diversify its business to withstand the impact of market volatility and maintain the Group's competitiveness. Meanwhile, in order to achieve the goal of becoming a competitive and comprehensive asset management and financial services platform, the Group has paved the way for the future development of its financial services business through a series of internal organizational restructuring. The Group has also balanced the layout of family office, asset management, securities, insurance, credit, investment immigration, international education, real estate investment and the Institute of Sustainability of the Greater Bay Area, etc., and optimized the resource strategies among various businesses to lay the foundation for synergistic business development in the future. In particular, under the Hong Kong SAR Government's call for the development of family office business, the Group will respond positively to the development trend, and gradually increase the comprehensive optimization measures for family office business to provide more sophisticated financial professional services, including wealth management, investment consulting, tax planning, asset allocation, risk control, trust planning, etc., with a view to expanding customer coverage and customer stickiness, thereby diversifying the Group's business and further enhancing the Group's revenue level and competitive advantages. The Group will continue to balance the resource allocation strategy among various businesses, promote synergistic development and complement each other, and promote the Company's positive transformation and continued profitability, so as to ensure that the relevant interests of shareholders of the Company are safeguarded.

Looking ahead, the challenges facing the Group are unprecedented, but we remain confident. The Group will continue to provide a more comprehensive and full-cycle financial services business under the umbrella of our existing computer and electronic products trading business and food trading business. We believe that with strong implementation, the growth of the Company's business will usher in a big explosion, the Group's revenue stream will grow steadily, and we will provide our shareholders with more stable investment confidence and investment returns. Meanwhile, Hong Kong, as an important global financial center, is accelerating the promotion of family office business. The Hong Kong SAR Government has successively introduced a series of incentives to attract global family offices to Hong Kong. The Group will keep abreast of the market trend and accelerate the development of its business in financial business areas such as family office, so as to provide comprehensive asset management and wealth appreciation services to our customers with more professional and diversified strengths, aiming to become one of the most comprehensive asset management and financial services platforms in Hong Kong. At the same time, the Group will continue to assess the current situation and flexibly adjust its business structure and resource allocation to seize the opportunities to enhance its business strength and performance and revenue, so as to create outstanding value for its investors, customers and shareholders.

Finally, on behalf of the Board, I would like to express my sincere gratitude to all shareholders, investors, business associates and customers for their heartfelt support and trust, and to our Directors, management and all staff for their professionalism and contributions!

Cheung Lit Wan Kenneth
Executive Director and Chairman

Hong Kong, 2 July 2024

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Cheung Lit Wan Kenneth, aged 57, was appointed as the Chairman and Executive Director of the Company on 2 July 2024. Mr. Cheung has over 30 years of management experience in investment on securities, wealth management, asset management and financial products. He is the founder, chairman and chief executive officer of China Hunlicar Financial Group Limited. Before that, he was an executive director of Glory Sun Financial Holdings Limited (formerly known as China Goldjoy Holding Limited) and the founder, executive director and chief executive officer of Glory Sun Securities Limited (formerly known as Hunlicar Securities Limited, China Yinsheng Securities Limited and China Goldjoy Securities Limited respectively).

Mr. Chan Wing Sum, aged 44, was appointed as an Executive Director and the Chief Executive Officer of the Company on 24 August 2023. Mr. Chan has engaged in asset management and financial services in Mainland China, Hong Kong and Singapore for nearly 20 years. Mr. Chan has served in senior management positions in several listed companies, and was a director and the chief executive officer of Mouette Securities Company Limited from April 2022 until his resignation on 31 August 2023. Prior to that, he served as the chief executive officer and chief investment officer of Apollo Capital Management Limited. He was also the chief investment officer of China Investment Development Limited (Stock code: 204), and the chief investment officer and executive director of China Hong Kong Link Asset Management Limited, a wholly-owned subsidiary of Long Well International Holdings Limited (formerly known as Tou Rong Chang Fu Group Limited) (Stock code: 850). He was also the chief investment officer and an executive director of Glory Sun Asset Management Limited, a wholly-owned subsidiary of Renze Harvests International Limited (formerly known as Glory Sun Financial Group Limited) (Stock code: 1282). Mr. Chan holds dual master's degrees, including a Master's Degree in Corporate Governance (with Distinction and was awarded Dean's List) from Caritas Institute of Higher Education in Hong Kong, a Master's Degree in Business Administration from the University of Wales in the United Kingdom, and a Postgraduate Diploma in Marketing from the Edinburgh Napier University. He is a Certified Management Accountant (CMA) accredited by the Australian Institute of Certified Management Accountants.

Mr. QU Hongqing, aged 54, was appointed as an Executive Director on 1 April 2022. Mr. Qu is the chairman of the Corporate Governance Committee and a member of the Nomination Committee and Remuneration Committee. Mr. Qu has over 15 years of experience in the computer and peripheral products and electronics products industry. Mr. Qu is the supervisor and deputy general manager of Bodatong Technology (Shenzhen) Company Limited ("Bodatong") and a legal representative, an executive director and the general manager of Hangzhou Jing Xin Xin Xi Technology Company Limited ("Hangzhou Jing Xin"), both are wholly-owned subsidiaries of the Group. Mr. Qu joined Bodatong and Hangzhou Jing Xin in July 2007 and March 2018 respectively. Mr. Qu was responsible for the operation management of Bodatong and Hangzhou Jing Xin. Mr. Qu is the brother-in-law of Mr. George Lu and Ms. Shen Wei, spouse of Mr. George Lu and the substantial shareholder of the Company.

Ms. Luo Ying, aged 35, was appointed as an Executive Director on 5 April 2024. Ms. Luo has over 10 years of experience in finance and corporate governance for listed company in Hong Kong and the United States of America (the "US"). Ms. Luo has served successively in several senior management positions of Renze Harvests International Limited (formerly known as Glory Sun Financial Group Limited) (Stock code: 1282). Ms. Luo graduated with a master degree of Financial Management from Pace University in the US and a bachelor's degree of Financial Services from Kansas State University in the US.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LOO Hong Shing Vincent, aged 58, was appointed as an independent Non-Executive Director in June 2012. Mr. Loo is the chairman of the Remuneration Committee, the Audit Committee and the Nomination Committee and a member of the Corporate Governance Committee of the Company. Mr. Loo has over 35 years of experience in the accounting, auditing, corporate finance and business advisory areas. Before joining the Group, Mr. Loo has over 17 years of auditing experience with PricewaterhouseCoopers in Hong Kong. Mr. Loo was the vice president, chief financial officer and company secretary of Cosmo Lady (China) Holdings Company Limited (stock code: 2298) from 2016 to 2022, a company listed on the Main Board of the Stock Exchange. Before joining Cosmo Lady (China) Holdings Company Limited, Mr. Loo was an executive director, chief financial officer and company secretary of Hengan International Group Company Limited (stock code: 1044), a company listed on the Main Board of the Stock Exchange. Mr. Loo is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales.

Mr. ZHU Shouzhong, aged 67, was appointed as an independent Non-Executive Director of the Company on 2 October 2018. Mr. Zhu is a member of the Audit Committee of the Company. Mr. Zhu has over 30 years of substantial operation and management experience in the insurance industry. In 1978, Mr. Zhu joined the Lanxi Branch of the People's Bank of China. Mr. Zhu joined The People's Insurance Company of China ("PICC") in 1984. From 1984 to 2003, Mr. Zhu successively served as the deputy manager and manager of PICC Lanxi Branch, the deputy manager and manager of the Property and Casualty Division of PICC Zhejiang Provincial Branch, the general manager and party committee secretary of PICC Jiaxing Branch, and the deputy general manager and party committee member of PICC Zhejiang Provincial Branch. From 2004 to 2010, Mr. Zhu successively served as the general manager and party committee secretary in Zhejiang Provincial Branch and Shanghai Branch of PICC Property and Casualty Company Limited (stock code: 2328), a company listed on the Main Board of the Stock Exchange, and he was also the vice chairman of the Shanghai Insurance Association. In 2010, Mr. Zhu joined China Export & Insurance Corporation, Shanghai Branch as the general manager and party committee secretary and he retired in 2017. Mr. Zhu was awarded "Shanghai Labour Day Medal for Finance Industry" in 2016 by Shanghai Committee of Chinese Financial Workers' Union. Mr. Zhu is a master postgraduate and a senior economist. He graduated from Zhejiang University majoring in finance and obtained a master's degree in business administration from the Southern Cross University of Australia.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Mr. LI Huaqiang, aged 66, was appointed as an independent Non-Executive Director of the Company on 1 November 2018. Mr. Li is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Li is currently an independent non-executive director of China Everbright Greentech Limited (the shares of which are listed on the Stock Exchange, stock code: 1257.HK), the external director of Hunan Energy Investment Group Co., Ltd., an independent director of Chinalco Advanced Manufacturing Co., Ltd., First-Trust Fund Management Co., Ltd. and Xiandaitouzi Co., Ltd. (the shares of which are listed on Shenzhen Stock Exchange, stock code: 000900.SZ). Mr. Li was a researcher at the School of Government Peking University, a master's instructor at the Central University of Finance and Economics and an entrepreneurship instructor at the Innovation and Entrepreneurship Centre of Global University Student of Peking University. Mr. Li has served as a member of the Asset Securitization Expert Committee of the Shenzhen Stock Exchange, the vice president of the Securities Association of Zhejiang and a director of the Shanghai Securities Association. He has served in a large state-owned metallurgical enterprise as branch factory director and general manager, the assistant general manager of Shenzhen Science and Industry Park Corporation, a deputy general manager of the investment banking headquarter of Guosen Securities Company Limited, the chairman of the board of directors and the president of Founder Securities Company Limited, the vice president of Huaxi Securities Company Limited, a director and the president of Chinalin Securities Company Limited, the head of capital market department of non-banking department, the head of the First Division of Securities and Second Division of Securities of Central Huijin Investment Ltd., a non-executive director of China Investment Securities Company Limited, the vice chairman of China Securities Co., Ltd., a director of China Everbright Group Limited, a non-executive director of China Everbright Bank Company Limited (the shares of which are listed on the Stock Exchange and Shanghai Stock Exchange, stock codes: 6818.HK and 601818.SH) and an independent director of Sun Life Everbright Asset Management Company Limited. Mr. Li holds a Bachelor's degree in Metal Materials Engineering from University of Science and Technology Beijing, a Master's degree in Master of Business Administration from Business School of Central South University and a Master's degree in Executive Master of Business Administration from Guanghua School of Management of Peking University.

SENIOR MANAGEMENT

Mr. WONG Kwok Ming, aged 47, is the Chief Financial Officer of the Group. Mr. Wong is responsible for the overall financial management of the Group. Mr. Wong was appointed as the Chief Financial Officer and the Company Secretary of the Company since 2016 and resigned from the position of Company Secretary with effect from 1 April 2024. Mr. Wong has over 20 years of experience in the areas of auditing, accounting, taxation, capital markets, business advisory and corporate finance. Mr. Wong has worked at PricewaterhouseCoopers Hong Kong for over 10 years in audit and assurance department covering various industry sectors and he worked at a well-established and sizable manufacturing company as the chief financial officer after he left PricewaterhouseCoopers. Mr. Wong was also an executive director of Qianhai Health Holdings Company Limited (stock code: 911), a company listed on the Main Board of the Stock Exchange, from 2016 to 2019. Mr. Wong possesses a Master Degree in Accounting from Curtin University of Technology. Mr. Wong is a Practicing Certified Public Accountant in Hong Kong. Mr. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of The Society of Chinese Accountants & Auditors.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

Looking back at the year under review, the slowdown in global economic growth, the disruption of trade links and the frequent geopolitical volatility have brought challenges to the business environment. The Group is committed to adjusting its business structure, optimising its resource allocation and structure to effectively resist adverse market impacts. The Group also achieved remarkable results in optimizing its financial structure, achieving gratifying results during the year and successfully turning losses into profits. During the year, the Group recorded a total revenue of approximately HK$357,111,000, representing a decrease of approximately 21.8% from approximately HK$456,565,000 in the same period last year. The Group recorded an overall gross profit of approximately HK$14,204,000, representing an increase of approximately 140.4% from approximately HK$5,908,000 in the same period last year. The Group recorded a profit attributable to owners of the Company of approximately HK$14,759,000 in the Current Year, as compared to the loss attributable to owners of the Company of approximately HK$127,605,000 in last year, mainly due to the increase in the Group's overall gross profit, the decrease in the provision for credit losses on accounts receivable, the reversal of expected credit losses on loans receivable, and the absence of goodwill impairment losses for the Current Year.

The Group was principally engaged in (i) computer and electronic products trading business, (ii) food trading business and (iii) financial services business.

(i) Computer and electronic products trading business

During the year under review, there are various factors such as the increase of interest rates by major economies, the continuous trade disputes between the PRC and the USA and the geopolitical tension in various regions, all these factors affect the overall economic and business environment which slowed down global economy and hampered international trade. It has continuously generated unprecedented challenges and uncertainties to the overall trading business environment in which the Group operates during the year under review. Attributed to these market conditions, as the Group's overall revenue in the computer and electronic products trading business segment during the year under review, decreased by approximately HK$177.5 million from approximately HK$426.3 million to approximately HK$248.8 million, representing a decrease of approximately 41.6%, the Group recorded a segment loss of approximately HK$22.2 million (2023: approximately HK$22.5 million) for the Current Year. In view of such market conditions, the Group continuously keeps on tight control of its operations. The Group focused on enhancing operation efficiency and implementing various cost control measures. The Group also managed to further enhance its long-term and close business relationships with suppliers and customers. The Group continues to monitor the market trends and takes prompt and appropriate actions to adjust our business strategies and allocates resources effectively under different market conditions. The Group will also continue to closely follow the market situation and explore new technologies and business models to grasp the opportunities arising from the development of global technology applications to drive up the demand for electronic components.

(ii) Food trading business

On 11 January 2023, Excel Goal Limited, an indirectly wholly-owned subsidiary of the Company, completed the acquisition of 100% equity interest in Shag Mei International Food Limited ("Shag Mei") and Legend International Food Limited ("Legend"). Shag Mei and Legend are principally engaged in trading of food products and provision of food processing in Hong Kong respectively. The food trading business mainly sells high-quality international seafood including high-end frozen salmon, and a wide range of food products including chilled and frozen meat, poultry, quick-frozen food, canned food and various alcoholic beverages.

The acquisition presents a great opportunity for the Group to increase its overall competitiveness and strengthen its growth momentum by expanding its trading business layout to meet the ever-changing demands which are crucial in facing market uncertainty.

The acquisition would allow the Group to accelerate business expansion in the trading segment. Upon completion of the acquisition, the Group further expanded its trading products to food products. Given the difference in consumer demand between the Group's current computer and electronic products trading business and those operated by the new acquired food trading business (fast-moving nature of products), it is an opportunity for the Group to broaden its revenue streams.

During the year under review, the food trading business performed steadily and continued to contribute profits to the Group. The Group recorded a revenue of approximately HK$107.0 million (2023: approximately HK$24.9 million) and a segment profit of approximately HK$2.3 million (2023: approximately HK$1.5 million) respectively in respect of the Group's food trading business.

(iii) Financial services business

The financial services business segment that the Group operates mainly includes securities brokerage business, advisory services business and money lending business. For the Current Year, the Group recorded an overall revenue of approximately HK$1.3 million (2023: approximately HK$5.3 million) and a segment profit of approximately HK$52.1 million (2023: segment loss of approximately HK$62.9 million) for the business segment of financial services business.

During the year under review, the local economic and financial market was weak and sluggish, the Group recorded a revenue of HK$nil (2023: approximately HK$0.5 million) and a segment loss of approximately HK$7.3 million (2023: segment loss of approximately HK$68.1 million) respectively in respect of the Group's securities brokerage business. The Group recorded a revenue of HK$nil (2023: HK$nil) and a segment loss of HK$nil (2023: HK$nil) respectively in respect of the Group's advisory services business. The Group recorded a revenue of approximately HK$1.3 million (2023: approximately HK$4.8 million) and a segment profit of approximately HK$59.4 million (2023: approximately HK$5.2 million) respectively in respect of the Group's money lending business. The increment in segment profit of money lending business was mainly due to the fact that certain borrowers have repaid loan receivable with a gross carrying amounts of approximately HK$63.6 million, resulting in a reversal of impairment allowance of approximately HK$63.1 million during the year under review.

MANAGEMENT DISCUSSION AND ANALYSIS

LOOKING AHEAD

The Group's management is constantly working to develop new business opportunities and business innovations from time to time, in the computer and electronic products trading business, the food trading business, and the financial services business.

In terms of computer and electronic products trading business, the Group will continue to bring a stable source of income to the Group by relying on our years of industry experience. The Group always believe that the huge Chinese market will bring us a broad space for development, and the gradual recovery of the economy will also provide growth elasticity for the demand for electronic products. With the vigorous promotion and development of artificial intelligence, big data, Internet of Things, 5G, new energy vehicles and other industries, electronic components, electronic equipments and semiconductors will become a constant demand and be used in all aspects of various industries. Overall, computer and electronic products trading will continue to be a major battleground for global commercial trade, and the Group will continue to explore new technologies and business models to improve the efficiency and accuracy of trade, and better understand market demand and consumer behaviour.

In terms of food trading business, the Group predicts that consumer demand for healthy food will continue to grow in the post-pandemic era, and the Group's main products such as salmon, seafood and high-end frozen meat will benefit from this trend. The Group will continue to strive to broaden its overseas and local suppliers base, diversify its products to provide customers with more different types of frozen food, and broaden the revenue stream of the Group's food business. At the same time, the impact of climate change, environmental pollution and international transportation will also lead to fluctuations in food production and prices. The Group will continue to pay close attention to relevant changes, adjust its trading strategy and management mode in a timely manner, strictly control supply chain management, quality control and marketing sales, and pay close attention to the safety and traceability of products.

In terms of financial services business, the Group will usher in a more professional and diversified development. In the past year, the Group has paved the way for the future development of its financial services business through a series of internal organizational restructuring and prudent financial investments. As a forward-looking strategy, the Group aims to become a competitive and comprehensive asset management and financial services platform, with parallel layout of family office, asset management, securities, credit, investment immigration, international education, real estate investment and the Greater Bay Area Development Research Institute, etc., and continue to balance the resource allocation strategy among various businesses, promote synergistic development and complement each other, and promote the Company's positive transformation and continued profitability. In early 2024, the Hong Kong SAR Government introduced a series of incentives to attract global family offices to Hong Kong. The Group will follow the general trend of the times, actively cooperate with the call of the Hong Kong SAR Government to develop family office business, study and grasp relevant policies and market trends, seize industry opportunities and outlets, and strive to assist customers in financial management, asset allocation, risk management and control, trust planning and other aspects, with the aim of further enhancing the competitiveness and sustainable development capabilities of family offices. The Group will continue to expand and build a professional team to establish relevant legal and regulatory frameworks to ensure that the operation of family offices is legal and reliable, and to provide corresponding legal advice and regulatory guidance. The Group will provide exclusive financial services and financial support for family offices, such as wealth management, investment consulting, tax planning, etc., to help family offices effectively manage and increase family wealth. The Group will provide a platform for family offices to integrate resources and cooperate, promote exchanges and cooperation between family enterprises, and provide opportunities for mutual learning and assistance. The Group will actively promote the importance and value of family offices, encourage more family businesses to set up and join family offices, and enhance their status and role in Hong Kong's economy. Through the above measures, we can effectively promote the development of family offices in Hong Kong, provide more comprehensive support and services for family office enterprises, and enhance the overall competitiveness and sustainable development of the Group.

Looking ahead, the Group will also pay more attention to social responsibility and sustainable development, actively introduce ESG investment concepts, and support the development of environmental protection and social welfare with practical actions, so as to create more value for shareholders and the society.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue and Gross Profit Margin

Revenue by business segments for the Group's revenue for the year ended 31 March 2024 is as follows:

- Computer and electronic products trading business: approximately HK$248.8 million, being a decrease of approximately HK$177.5 million when compared to the previous year of approximately HK$426.3 million

- Food trading business: approximately HK$107.0 million, being an increase of approximately HK$82.1 million when compared to the previous year of HK$24.9 million

- Financial services business (including securities brokerage business, advisory services business and money lending business): approximately HK$1.3 million, being a decrease of approximately HK$4.0 million when compared to the previous year of approximately HK$5.3 million

The Group's total revenue for the year was approximately HK$357.1 million, being a decrease of approximately HK$99.5 million when compared to the previous year of approximately HK$456.6 million. The decrease was mainly attributable to the decrease in revenue derived from computer and electronic products trading business.

Gross profit margin for the year was approximately 4.0% (2023: Gross profit margin of approximately 1.3%). Increase in gross profit margin was mainly caused by the relatively higher gross profit earned from food trading business for the year.

Selling Expenses

Selling expenses of approximately HK$1.3 million was mainly incurred for the food trading business.

General and Administrative Expenses

General and administrative expenses for the year increased by approximately HK$2.7 million from the Last Corresponding Year, which was mainly attributable to the food trading business acquired in January 2023.

Expected Credit Loss on Financial Assets, net

During the year ended 31 March 2024, the Group recorded a net amount of Expected Credit Loss ("ECL") on financial assets of approximately HK$54.0 million reversal, being a decrease when compared to the provision in Last Corresponding Year of approximately HK$59.7 million, which was mainly attributed to the change in ECL incurred from repayment of loan receivables. During the Current Year, the rates of stock market volatility and deterioration in economy were slower compared to the Last Corresponding Year, the provision of ECL on cash client receivables decreased by approximately HK$56.4 million compared to the Last Corresponding Year. The Group did not engage any independent external valuers to perform the assessment of ECL on financial assets, instead, conducted an internal assessment and evaluation to support the impairment made. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition. (Reversal of expected credit loss)/expected credit loss on financial assets, net are as follows:

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Loan receivables (i)	**(58,154)**	(5,970)
Cash client receivables (ii)	**4,011**	60,407
Trade receivables	**181**	(19)
Interest receivables (i)	**–**	5,312
Total ECL on financial assets (reversed)/recognised in profit or loss	**(53,962)**	59,730

The basis for determining the impairment of the Company is based on the ECL model according to HKFRS 9. Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the impairment allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the impairment allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the impairment allowance is measured at an amount equal to lifetime ECLs

In addition to the above three-stage framework, if there is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of such loan recovery, the relevant amount will be written off.

The assessment of the impairment is conducted 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 date as well as the forecast of future conditions.

The management of the Group regularly reviews the change of the factors in the ECL formula (if any), and determines whether the credit risk of financial assets has changed.

The Group always recognises lifetime ECL for trade receivables which are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information. For all other instruments, the Group measures the impairment equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, where the Group would then consider recognising 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.

In assessing whether the credit risk on the financial assets has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of a default occurring on the financial assets 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.

(i) Expected credit loss on loan receivables and interest receivables

Loan receivables and interest receivables are arising from the money lending business. The business model of the money lending business is targeted to provide short-term loan financing to individual and corporate clients through its business network in Hong Kong. The term of loans is within one year. The interest rate is within a range from 8% to 18% by reference to the market.

Credit risk assessments were performed by the Group before each loan was advanced. Identity checks, financial background checks, relevant public searches (such as company search and land search) were conducted on the borrowers (where applicable). In credit assessment, the Company will normally take into account factors including, but not limited to personal financial background and repayment ability of the borrowers, internal and external credit checking results, and the borrowers' repayment record to assure the clients have the financial capacity to meet loan obligations.

Subsequent to the drawdown of loans, to ensure that loan repayments are punctual and past due accounts are handled efficiently, the Group actively reviews and monitors the loan repayment status on a regular basis.

The Group has closely monitored the loan receivables for the purpose of assessing credit risk and has put effort into the collection procedures of the loan receivables, such as making phone calls and sending reminders to the relevant customers from time to time. The Group may also negotiate with customers on the repayment arrangements on a case-by-case basis according to the circumstances of the customers, especially during the COVID-19 pandemic. Legal actions may be brought against the relevant customers depending on the actual circumstances on a case-by-case basis.

ECL assessment is done based on the Group's historical credit loss experience, latest financial capabilities of the borrowers, general economic and financial conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group performs collective assessments on impairment allowance for the loan receivables and respective interest receivables on a regular basis by dividing its loan receivables into different groups according to the loan types, with each loan type sharing similar credit risk characteristics, and calculates the ECL for each loan type. The measurement of impairment allowance for collective assessment is mainly based on the amount of loan receivables and interest receivables of each loan type at a point of time and will take into the past-due status, the probability of default (which may be affected by the duration of delinquency), loss given default (i.e. the magnitude of the loss if there is a default), historical repayment performance and adjusted by forwarding-looking information such as the economic and financial environment, etc.

The Group also performs individual assessments on impairment allowance for the loan receivables and interest receivables. For individual assessment, the amount of impairment allowance on loan receivables and interest receivables will be considered on a case-by-case basis by way of expected cash flow, taking into account, among other factors, the expected date of recovery.

The Group considers the loan and respective interest receivables as a loss if the repayment of principal and/or interest has been overdue for a pro-longed period and the collection of principal and interest in full is considered improbable after exhausting all collection efforts such as initiation of legal proceedings.

For the year ended 31 March 2024, the Group recorded a reversal of ECL on loan receivables of approximately HK$58.2 million (2023: reversal of approximately HK$6.0 million); recorded a written off of ECL on loan receivables of HK$24.4 million (2023: Nil) and recorded a written off on interest receivables of HK$7.5 million (2023: provision of approximately HK$5.3 million), after assessing all the borrowers' financial background, repayment abilities and expected future cash flows. During the year, the repayment of loan receivables were approximately HK$63.6 million.

The following table sets out a schedule of the loan portfolio of the Group under its money lending business for the year ended 31 March 2024 and 31 March 2023:

	Borrower	Date of entering into the loan	2024 Principal amount (HK$'000)	2023 Principal amount (HK$'000)	Interest rate (yearly)	Tenor (year)	Background of borrower/ guarantor (if any)
1.	Borrower A (an individual)	27 August 2016	7,000	7,000	15%	1	A merchant
2.	Borrower B	17 April 2019	40,000	40,000	8%	1	An investment holding company, engaged in financial investment activities
3.	Borrower C (an individual) (Note 1)	17 April 2019	40,000	40,000	8%	1	A personal investor
4.	Borrower D (an individual)	30 May 2019	20,000	20,000	12%	1	A merchant
5.	Borrower E (Note 2)	10 October 2019	–	34,000	10%	1	An investment holding company, engaged in financial investment activities
6.	Borrower F (Note 1)	17 March 2020	48,700	48,700	12%	1	An investment holding company
7.	Borrower G (an individual) (Note 1)	2 April 2020	7,000	7,000	18%	1	The borrower and guarantor are businessmen
			162,700	196,700			

Note 1: Borrower C, Borrower F and Borrower G has settled their loans during the year ended 31 March 2024.

Note 2: Borrower E has settled its loan during the year ended 31 March 2023.

A guarantee was given for the loan owed by Borrower G, and the terms of each of the loans owed by Borrower A, Borrower B, Borrower C, Borrower D, Borrower F and Borrower G (the "Relevant Borrowers" and each a "Relevant Borrower") allow the Group to appoint receiver(s) to liquidate any securities held by a Relevant Borrower in a securities account with the Group to offset outstanding amounts due upon the occurrence of an event of default. Save the above, no credit enhancement features (including security or collaterals) were provided in respect of the outstanding loans.

Impairment losses on loan receivables

As at 31 March 2024, the gross carrying amount of loan receivables of approximately HK$63.1 million (31 March 2023: approximately HK$151.1 million) are denominated in Hong Kong dollars, unsecured, bearing fixed interest rate from 8% to 15% (2023: 8% to 18%), and recoverable within one year from the dates of inception of the loan agreements. For the year ended 31 March 2024, the principal loaned to 66.7% and 33.3% of the money lending business client range from HK$0 to HK$20,000,000 and HK$20,000,001 to HK$40,000,000 respectively. Individual clients and corporate clients represent 66.7% and 33.3% of the money lending business clients respectively. For the year ended 31 March 2023, the principal loaned to 50.0%, 33.3% and 16.7% of the money lending business client range from HK$0 to HK$20,000,000, HK$20,000,001 to HK$40,000,000 and HK$40,000,001 to HK$50,000,000, respectively. Individual clients and corporate clients represent 66.7% and 33.3% of the money lending business clients respectively.

As at 31 March 2024, impairment losses on loan receivables ("Impairments") in the aggregate amount of approximately HK$48.2 million (2023: HK$130.7 million) were recognised. Such Impairments were made in respect of the three (2023: six) Relevant Borrowers, none of which were, or were entitles controlled by, the Directors or other connected persons of the Company.

The following table sets out further details of the Impairments:

	Borrower	Principal amount (HK$'000)	Outstanding principal amount as at 31 March 2024 (HK$'000)	Amount of Impairments as at 31 March 2024 (HK$'000)	Reasons for the Impairments
1.	Borrower A (an individual)	7,000	3,964	(3,396)	When Borrower A failed to repay the loan upon maturity
2.	Borrower B	40,000	40,000	(31,164)	When Borrower B failed to repay the loan upon maturity
3.	Borrower C (an individual)	40,000	Nil	Nil	n/a
4.	Borrower D (an individual)	20,000	19,148	(13,612)	When Borrower D failed to repay the loan upon maturity
5.	Borrower F	48,700	Nil	Nil	n/a
6.	Borrower G (an individual)	7,000	Nil	Nil	n/a
		162,700	63,112	(48,172)	

For the outstanding loans in respect of Borrower A, Borrower B and Borrower D, the Group has taken into account the past-due status, historical repayment performance, probability of default and expected amount recoverable from each of these borrowers, and as at 31 March 2024, each of their respective loan receivables are considered to be credit-impaired. Full provision have been made after deducting expected future cash flows that may be recovered by the Group, through the appointment of receiver(s) to liquidate any securities held by each of the borrower concerned pursuant to their respective loan agreements with the Group. The impairment loss is the aggregate difference between the principal outstanding and the expected future cash flows recoverable from these borrowers.

Actions taken to recover overdue loan receivables

The Group has continued to take actions to recover loan receivables due to it during the year ended 31 March 2024. Following negotiations and recovery efforts made by the Group, Borrower C, Borrower F and Borrower G have settled their loan due to the Group during the year.

In respect of Borrower B, the Group is engaged in ongoing negotiations and discussions with this borrower on repayment arrangements. The Group had issued demand letters to the borrower demanding immediate repayment of the due but unpaid principal and interest under the loan. The Group is consulting legal advisers on the commencement of legal proceedings to recover the outstanding loan from this borrower.

In respect of Borrower A and Borrower D, the Group issued demand letters to them demanding immediate repayment of the due but unpaid principal and interest under the loans. The Group has consulted legal advisers and has appointed a professional independent receiver to recover the outstanding loans from these borrowers. During the year ended 31 March 2024, the Group recovered approximately HK$0.9 million and approximately HK$0.2 million in respect of the outstanding loans owed by Borrower A and Borrower D respectively. Since 31 March 2024 and up to the date of 24 June 2024, the Group recovered a further of approximately HK$0.1 million from Borrower A and approximately HK$6.4 million from Borrower D.

Despite the Impairments being made as at 31 March 2024, the Group reserves all of its rights to take legal actions to recover any outstanding amounts due from each of the Relevant Borrowers to safeguard the interests of the Group and the shareholders of the Company.

(ii) Expected credit loss on cash client receivables

Cash client receivables are arising from the securities brokerage business. For cash client receivables, the Group considers there has been a significant increase in credit risk when clients cannot meet the loan call requirement and use the loan-to-collateral value ("LTV") to make its assessment.

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 a significant increase in credit risk before the amount becomes past due.

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).

The Group considers a cash client receivable is in default when LTV is larger than a defined benchmark. However, in certain cases, the Group may also consider a cash client receivable to be in default when there is a significant shortfall which indicates the Group is unlikely to receive the outstanding contractual amounts in full taking into account the pledged securities held by the Group. A cash client receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

For the year ended 31 March 2024, the Group recorded an ECL on cash client receivables of approximately HK$4.0 million (2023: approximately HK$60.4 million). The change was mainly due to the slower rates of stock market volatility and deterioration in economy during the year. The decrease in market value of the pledged securities of each client was relatively steady during the Current Year.

Other Income and Gains, net

The Group's other income and gains for the year was approximately HK$2.5 million (2023: approximately HK$0.4 million). The amount mainly represents sundry income generated during the year.

Finance Costs

Finance costs for the year was approximately HK$11.7 million, being an increase of approximately HK$3.0 million when compared to the previous year of approximately HK$8.7 million. The increment was mainly attributable to the increase in interest rate during the year.

Income Tax Expense

Income tax expense for the year was approximately HK$0.1 million (2023: approximately HK$20.3 million). The change was mainly due to the decrease in deferred tax expense during the year.

Profit for the Year

The Group recorded a profit of approximately HK$11.0 million for the Current Year, as compared to loss of approximately HK$130.0 million for the Last Corresponding Year.

Profit for the Year Attributable to Owners of the Company

The profit for the year attributable to the owners of the Company amounted to approximately HK$14.8 million (2023: loss of approximately HK$127.6 million), resulted in a basic earning per share for the year of HK2.30 cents (2023: basic loss per share of HK26.55 cents) and diluted earning per share for the year of HK2.30 cents (2023: diluted loss per share of HK26.55 cents).

Inventories, Loan Receivables and Account Receivables

The Group has enhanced the inventory control policy to manage business risks associated with its principal activities. Inventories as at 31 March 2024 was approximately HK$8.3 million (31 March 2023: approximately HK$27.7 million). The overall inventories turnover days remained healthy and reasonable for the year under review.

As at 31 March 2024, the Group's loan receivables amounted to HK$14.9 million (31 March 2023: approximately HK$20.4 million), which arise from its money lending business in Hong Kong. The Group recorded a reversal of ECL of approximately HK$58.2 million for the year ended 31 March 2024 (2023: approximately HK$6.0 million).

The Group continues to closely monitor the settlements from its customers on an ongoing basis to manage the credit risk from time to time. As at 31 March 2024, included in the account receivables are trade receivables and cash client receivables, which amounted to approximately HK$104.1 million (31 March 2023: approximately HK$43.0 million) and approximately HK$11.4 million (31 March 2023: approximately HK$16.0 million), respectively. Trade receivables are arising from its trading business. Cash client receivables are arising from its securities brokerage business. The Group recorded provision of ECL of approximately HK$0.2 million (2023: reversal of ECL of approximately HK$0.1 million) on trade receivables and recorded an ECL on cash client receivables of approximately HK$4.0 million (2023: approximately HK$60.4 million) for the year.

Liquidity, Financial Resources, Working Capital and Treasury Policy

As at 31 March 2024, cash and cash equivalents of the Group amounted to approximately HK$67.7 million (31 March 2023: approximately HK$31.0 million), and the Group's net assets amounted to approximately HK$279.2 million (31 March 2023: approximately HK$186.3 million). As at 31 March 2024, there was approximately HK$122.9 million outstanding borrowings balance (31 March 2023: approximately HK$173.1 million).

As at 31 March 2024, non-current assets of the Group amounted to approximately HK$243.3 million (31 March 2023: approximately HK$250.4 million), the Group's current assets amounted to approximately HK$234.8 million (31 March 2023: approximately HK$187.5 million), and net current assets as at 31 March 2024 amounted to approximately HK$42.6 million (31 March 2023: net current liabilities of approximately HK$55.2 million). As at 31 March 2024, the current ratio was approximately 1.2 (31 March 2023: approximately 0.8) (calculated by dividing the total current assets by the total current liabilities).

The Group's gearing ratio is calculated as net debt divided by total capital (the sum of total equity and net debt), as shown in the consolidated statement of financial position. Net debt is calculated as total borrowings less cash and cash equivalents and pledged bank deposit. The gearing ratio as at 31 March 2024 was approximately 12.6% (31 March 2023: approximately 43.3%).

The Group funds its business and working capital requirements by using a balanced mix of internal resources, borrowings and funds from the Company's equity fund raising exercises. In order to release the Group's liquidity stress, the Group will resolve different approaches including but not limited to reduction of overall operating cost in all aspects and endeavor to obtain both long-term and short-term credit facilities. The Group will strive to reduce credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. The Group would also be receptive to any feasible proposals to dispose of the low utilizing properties as suitable opportunities arise. The Group will continue to make efforts to improve the Group's liquidity and financial position by any ways including actively and regularly reviewing its capital structure negotiating with banks and other institutions for roll-over or re-financing its existing borrowings and will consider raising additional fundings by bank borrowings and by issuing bonds or new shares, where appropriate.

Capital Structure and Fund Raising Activities

The capital of the Company comprises only ordinary shares.

On 18 December 2023, the Company proposed to implement the rights issue on the basis of one rights share for every two existing share held on 1 December 2023 (the "Rights Issue"), being the record date, at the subscription price of HK$0.18 per rights share.

The subscription price a discount of approximately 24.05% to the closing price of HK$0.237 per share as quoted on the Stock Exchange on 17 November 2023, being the last trading day for the shares immediately before the release of the announcement of the Company dated 17 November 2023 in relation to, among other things, the Rights Issue. The net price per rights share was approximately HK$0.243. The aggregate nominal value of the rights shares was approximately HK$2,630,000.

The Company intends to apply the net proceeds from the Rights Issue towards (i) expanding the Group's trading business and financial services business, (ii) exploiting any opportunities to acquire new businesses or make strategic investments to broaden or create synergy for the Group's trading business, and (iii) the general working capital of the Group. For details of the reasons for the Rights Issue, please refer to the announcement of the Company dated 17 November 2023 and the prospectus of the Company dated 18 December 2023.

The Rights Issue was completed on 22 January 2024. As such, 315,695,100 shares, with par value of HK$0.18 each, were issued and allotted under the Rights Issue with net proceeds of approximately HK$55.4 million. Reference is made to the announcements of the Company dated 17 November 2023, 29 November 2023, 15 December 2023, 9 January 2024 and 19 January 2024 and the prospectus of the Company dated 18 December 2023. As of 31 March 2024, approximately HK$23.5 million have been utilised as intended. The remaining unutilised balance of approximately HK$31.9 million will be utilised as intended by December 2024.

As at 31 March 2024, the utilisation of proceeds from the Rights Issue was as follows:

	Net proceeds	**Utilised net proceeds as at 31 March 2024**	**Unutilised proceeds as at 31 March 2024**
	HK$'000	HK$'000	HK$'000
Proceeds from the Rights Issue	55,419	23,482	31,937

Breakdown of utilisation of the net proceeds as follows:

			Intended use of proceeds HK$'000	Utilised net proceeds as at 31 March 2024 HK$'000	Unutilised proceeds as at 31 March 2024 HK$'000
(i)	(a)	Up to approximately 15-20% towards the food trading business	8,300 to 11,000	2,653	5,647 to 8,347
(i)	(b)	Up to approximately 20% towards the Group's securities brokerage services	11,000	10,610	390
(ii)	Up to approximately 30-35% towards the Strategic Opportunity		17,000 to 19,000	–	17,000 to 19,000
(iii)	approximately 25-35% of the net proceeds towards the general working capital of the Group		14,000 to 19,000	10,219	3,781 to 8,781
	(a)	approximately 50-70% for payroll expenses	7,000 to 13,000	6,226	774 to 6,774
	(b)	approximately 20-40% for rental expenses	2,800 to 7,600	3,017	Nil to 4,583
	(c)	approximately 10-15% for professional fees	1,400 to 2,900	976	424 to 1,924
				23,482	

On 19 September 2023, 105,228,000 ordinary shares were issued by the Company (the "Placing"). Shares were issued at a price of HK$0.25 per share giving the gross proceeds of approximately HK$26.3 million. The net proceeds of approximately HK$25.5 million from the Placing are intended to be used for general working capital of the Group.

The net price per Placing Share was approximately HK$0.243. The aggregate nominal value of the placing shares under the Placing was approximately HK$877,000.

The placing price of HK$0.25 per placing share represents (i) a discount of approximately 13.79% to the closing price of HK$0.29 per share as quoted on the Stock Exchange on 5 September 2023, the date of the placing agreement; and (ii) a discount of approximately 13.79% to the average closing price of HK$0.29 per Share in the last five trading days immediately prior to the date of the placing agreement.

Mouette Securities Company Limited, on a best effort basis, placed the placing shares to not less than six placees (who are independent institutional, professional and/or other private investors), who and whose ultimate beneficial owner(s) are independent third parties.

The Directors have considered various ways of raising funds and believe that the Placing represents an opportunity to raise capital for the Company while broadening its shareholder and capital base. It also signifies the confidence of the placees in the potential of the Company and demonstrates their willingness to support the Company. The Directors are of the view that the Placing would strengthen the financial position of the Group.

As of 31 March 2024, all of the net proceeds of approximately HK$25.5 million have been fully utilised as intended for general working capital of the Group.

For details of the Placing, please refer to the announcements of the Company dated 5 September 2023, 6 September 2023 and 19 September 2023.

As at 31 March 2024, the number of ordinary shares of the Company issued and fully paid was 947,085,300 shares (31 March 2023: 526,162,200 shares).

Capital Commitments

The Group had no capital commitments as at 31 March 2024 (31 March 2023: Nil).

Pledge of Assets

As at 31 March 2024, the Group's bank borrowings of approximately HK$113.7 million were secured by Group's leasehold properties situated in Hong Kong of approximately HK$186.9 million.

As at 31 March 2023, the Group's bank borrowings of approximately HK$151.3 million were secured by Group's leasehold properties situated in Hong Kong of approximately HK$195.0 million.

As at 31 March 2024, the Group's pledged bank deposits of approximately HK$15.0 million were pledged to a bank for the issuance of letter of credit (31 March 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no material acquisition and disposal of subsidiaries, associated companies and joint ventures by the Group during the Current Year.

Foreign Currency Exposure

The Group is exposed to certain foreign currency risk primarily with respect to Renminbi ("RMB") and United States dollar ("US$") as most of the transactions are denominated in Hong Kong dollar ("HK$"), RMB and US$. The Group is exposed to foreign exchange risk primarily through expenses transactions that are denominated in currencies other than the functional currencies of the group companies. During the year, the Group recorded a foreign exchange gain of approximately HK$0.5 million (2023: approximately HK$0.2 million). The Group manages its exposure to foreign currency transactions by monitoring the level of foreign currency receipts and payments and ensures that the net exposure to foreign exchange risk is kept to an acceptable level. During the year, the Group has not used any forward exchange contract to hedge against foreign exchange risk as management considers its exposure as not significant. The Group will continue to manage the net exposure of foreign exchange risk to keep it at an acceptable level from time to time.

Contingent Liabilities

The Group did not have any significant contingent liabilities as at 31 March 2024 (31 March 2023: Nil).

Employees and Emolument Policy

As at 31 March 2024, the Group had a total of 55 (31 March 2023: 44) employees. Employee benefits expenses, including Directors' remuneration for the year ended 31 March 2024, totally amounted to approximately HK$19.2 million (2023: approximately HK$12.9 million). The Group's remuneration policy is based on the position, duties and performance of the employees. The employees' remuneration varies according to their positions, which may include salary, overtime allowance, bonus and various subsidies. The Group offers a comprehensive and competitive remuneration and benefits package to all its employees. In addition, the Group has adopted a share option scheme and a share award scheme for providing incentives and rewards to eligible persons who contribute to the success of the Group's operations. The Group has also adopted other employee benefits including a provident fund scheme for its employees in Hong Kong, as required under the Mandatory Provident Fund Schemes Ordinance, and has participated in employee pension schemes organised and governed by the relevant local governments for its employees in the PRC.

Dividend

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

Subsequent Event After Reporting Period

No significant event has occurred after the year ended 31 March 2024 and up to the date of this Annual Report.

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in trading business and financial services business.

PRINCIPAL SUBSIDIARIES AND INTERESTS IN ASSOCIATES

Details of the principal subsidiaries and interests in associates as at 31 March 2024 are set out in Notes 16 and 17 to the consolidated financial statements respectively.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future development are provided in the Chairman's Statement and the Management Discussion and Analysis on pages 5 to 6 and pages 10 to 26 respectively of this annual report. This discussion forms part of this directors' report.

FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 4 of this annual report.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2024 are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 92 and 93 of this annual report.

Interim dividend

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

Final dividend

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

As at 31 March 2024, there was no arrangement under which a Shareholder had waived or agreed to waive any dividends.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in Note 13 to the consolidated financial statements.

DONATIONS

No charitable donation was made by the Group during the year (2023: nil).

BORROWINGS

Details of the Group's borrowings as at 31 March 2024 are set out in Note 31 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in Note 25 to the consolidated financial statements.

Details of the shares issued in the year ended 31 March 2024 are set out in Note 25 to the consolidated financial statements.

EQUITY LINKED AGREEMENTS

Save for Rights Issue and the Placing under the section headed "Capital Structure and Fund Raising Activities" above, the Share Option Schemes as disclosed under the section headed "Share Option Schemes" below and the Share Award Scheme as disclosed under the section headed "Share Award Scheme" below, during the year ended 31 March 2024, no equity-linked agreements were entered into by the Company or subsisted at the end of the Current Year.

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Articles of Association or the relevant law of the Cayman Islands, being the jurisdiction in which the Company was incorporated which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

TAX RELIEF OR EXEMPTION

The Board is not aware of any tax relief or exemption available to any existing Shareholder by reason of his/her holding of the securities of the Company.

RESERVES

Details of the movements in the reserves of the Company and the Group during the year are set out in Note 39(a) to the consolidated financial statements and the consolidated statement of changes in equity on pages 96 and 97, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2024, the Company's reserves available for distribution to equity holders, comprising the share premium, contributed surplus, net of shares held for share award scheme and accumulated losses, amounted to approximately HK$182.3 million.

Under the Companies Law of the Cayman Islands, the share premium account of the Company in the amount of HK$593.1 million may be applied for paying distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

DIVIDEND POLICY

The Company has a dividend policy. Under the dividend policy, the Company may declare dividends in any currency to the shareholders but no dividends shall exceed the amount recommended by the Board of Directors of the Company subject to the Companies Law of the Cayman Islands (as amended from time to time) (the "Companies Law") and the memorandum and articles of association of the Company (the "Articles"). In accordance with the applicable requirements of the Company Law and the Articles, no dividend shall be declared or payable except out of the profits and reserves of the Company lawfully available for distribution including share premium.

In accordance with the applicable requirements of the Companies Law and the Articles, the Board may:

(a) from time to time pay to the Shareholders such interim dividends as appear to the Board to be justified by the profits of the Company;

(b) pay half-yearly or at other intervals to be selected by the Board any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits available for distribution justify the payment; and

(c) from time to time declare and pay special dividends on shares of any class of such amounts and on such dates as it thinks fit.

The declaration of dividends is subject to the discretion of the Board, which will take into account, inter alia, the following factors when considering the payment or declaration of dividends:

(a) the Group's actual and expected financial performance and conditions and liquidity position;

(b) the shareholder's interests;

(c) the retained earnings and distributable reserves of the Company and each of the members of the Group;

(d) any restrictions on payment of dividends that may be imposed by the Group's lenders;

(e) the Group's expected working capital requirements and future expansion plans;

(f) statutory and regulatory restrictions;

(g) general economic conditions and other internal or external factors that may have any impact on the business or financial performance and position of the Company; and

(h) any other factors that the Board deems appropriate.

REPORT OF THE DIRECTORS

The Board endeavours to maintain a balance between meeting Shareholders' expectations and prudent capital management with a sustainable dividend policy. The Board will continue to review the dividend policy and reserve the right in its sole and absolute discretion to update, amend and/or modify the dividend policy from time to time, and the dividend policy shall in no way constitute an assurance or a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend in any particular amount for any given period.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the top five customers and the largest one accounted for approximately 69.9% and approximately 43.5% respectively of the total sales for the year. Purchases from top five suppliers and the largest one accounted for approximately 57.4% and 16.3% respectively of the total purchases for the year.

None of the Directors, or any of their close associates or any shareholder (which of the best knowledge of the Directors own more than 5% of the Company's issued share capital) had any beneficial interest in the major suppliers or customers noted above.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors are aware that the Group is exposed to various risks, including some specific to the Group or the industries in which the Group operates. The directors managed that significant risks which may adversely affect the Group's performance and ability to deliver on its strategies, as well as those which may present positive opportunities, are identified, reported, monitored, and managed on a continuous basis. The financial risk management policies and practices of the Group are shown in Note 5 to the consolidated financial statements.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the directors and management are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the business and operations and there was no material breach of or non-compliance with the applicable laws and regulations during the year.

RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers and customers to meet its immediate and long-term goals. Regular and continuous communication with our suppliers, customers and other stakeholders is carried out through regular meetings, conferences, and promotional events.

REPORT OF THE DIRECTORS

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining high environmental and social standards to ensure the sustainable development of its business and has complied with the relevant laws and regulations regarding its business including safe workplace conditions, employment and the environment. The Group understands a better future depends on everyone's participation and contribution, we has encouraged employees and other stakeholders to participate in environmental and social activities that benefit the whole community. The Group maintains strong relationships with its employees and has enhanced cooperation with its suppliers and has provided high quality products and services to its customers to ensure sustainable development. Our commitment to protecting the environment is also well reflected by our continuous efforts in promoting green awareness in our daily business operations. The Group encourages environmental protection and promotes an awareness of environmental protection among the employees and encourages the principle of recycling and reducing and putting efforts to implement green office practices. Detail of the Group's environmental, social and governance practices are in the "Environmental, Social and Governance Report" section of this annual report.

BOARD OF DIRECTORS

The Directors who were in office during the year and up to the date of this report are as follows:

Executive Directors
Mr. Qu Hongqing
Mr. Chan Wing Sum *(appointed on 24 August 2023)*
Ms. Luo Ying *(appointed on 5 April 2024)*
Ms. Kwok Ling Yee Pearl Elizabeth *(appointed on 24 August 2023 and resigned on 5 April 2024)*

Independent Non-Executive Directors
Mr. Loo Hong Shing Vincent
Mr. Zhu Shouzhong
Mr. Li Huaqiang

In accordance with Article 16.18 of the Articles of Association, Mr. Loo Hong Shing Vincent and Mr. Zhu Shouzhong will retire from office by rotation and being eligible, have offered themselves for re-election at the forthcoming Annual General Meeting (the "AGM").

In accordance with Article 16.2 of the Articles of Association, Ms. Luo Ying will retire from office by rotation and being eligible, has offered herself for re-election at the AGM.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent Non-Executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchanges of Hong Kong Limited (the "Listing Rules"). The Company considers all of them to be independent.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical information of the Directors and senior management of the Group are set out on pages 7 to 9 of this annual report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors being proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and the five individuals with the highest emoluments are set out in Notes 40 and 32 to the consolidated financial statements respectively.

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

As at 31 March 2024, none of the Directors nor chief executive of the Company has registered an interest and short position in the shares, underlying shares and debentures of the Company and its associated corporations (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 and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

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

As at 31 March 2024, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the following interest of which would fall to be disclosed under Divisions 2 and 3 of part XV of the SFO, or the particulars of the corporations or persons (other than a Director or the chief executive of the Company) which had 5% or more interests in the shares and the underlying shares as recorded in the register kept under section 336 of the SFO were as follows:

Long positions in ordinary shares of the Company

Name	Nature of interest	Number of shares held	Approximate percentage of issued share capital (Note 3)
Forever Star Capital Limited	Beneficial owner	243,989,600	25.76%
Ms. Shen Wei	Interest in controlled corporation (Note 1)	243,989,600	25.76%
Talent Virtue International Limited	Beneficial owner	130,000,000	13.73%
Mr. Cheung Lit Wan Kenneth	Interest in controlled corporation (Note 2)	130,000,000	13.73%
	Beneficial owner (Note 2)	45,000,000	4.75%
Mr. Luo Jian	Beneficial owner	78,804,000	8.32%

Notes:

(1) There are 243,989,600 shares were registered in the name of Forever Star Capital Limited ("Forever Star"), Ms. Shen Wei holds 100% interest in Forever Star, a company incorporated in the British Virgin Islands.

(2) There are 130,000,000 shares were registered in the name of Talent Virtue International Limited ("Talent Virtue"), Mr. Cheung Lit Wan Kenneth holds 100% interest in Talent Virtue, a company incorporated in the British Virgin Islands. Mr. Cheung Lit Wan Kenneth is also the beneficial owner of 45,000,000 shares.

(3) The percentage holding in calculated based on the issued share capital of the Company as at 31 March 2024 comprising 947,085,300 shares.

Save as disclosed above, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Divisions 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEMES

On 21 August 2013 ("the date of adoption"), the Company conditionally approved a share option scheme (the "2013 Share Option Scheme") and refreshed on 24 February 2017, under which options will be granted to eligible persons to subscribe for shares of the Company at subscription price which should not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a trading day (the "Offer Date"); (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date; and (iii) the nominal value of the Company's shares, provided that for the purpose of calculating the subscription price, where the Company has been listed for less than five trading days, the issue price shall be used as the closing price for any business day falling within the period before listing. The purpose of the Share Option Scheme is to recognize and motivate eligible persons to optimize their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such eligible persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group.

Pursuant to the 2013 Share Option Scheme, the participants of the scheme are, inter alia, executive, shareholder of any member of the Group, supplier, customer, consultant, business or joint venture partners, franchisee, contractor, agent, representative or service providers of any member of the Group, as may be determined by the Directors at their absolute discretion. Upon acceptance of the share option, the grantee shall pay HK$1.00 to the Company as consideration for the grant. The maximum number of Shares issued and to be issued upon exercise of the options granted to any eligible person (including exercised and outstanding share options) in any 12-month period shall not exceed 1% of the Shares in issue from time to time. An option may be exercised at any time during the period commencing immediately after the business day on which the share option is deemed to be granted in accordance with the 2013 Share Option Scheme but shall not exceed 10 years from the date of adoption. The Board may, at its absolute discretion, fix any minimum period for which a share option must be held. The Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption, i.e. 21 August 2013.

Without take into account the effect of Share Consolidation, on 21 December 2016, the Group announced the granting of a total of 288,000,000 share options to selected employees and Directors under the 2013 Share Option Scheme. The exercise price of the granted options is HK$0.55 per share and number of 1,932,000 and 56,666,667 share options were exercised and forfeited during the year ended 31 March 2018 respectively. Reference is made to the announcement of the Company dated 28 August 2017 and 29 June 2018, the Group conditionally granted 85,000,000 share options to a former non-executive Director of the Company under the 2013 Share Option Scheme respectively, which the grants were subject to acceptance of the grantee and approval by the shareholders in general meeting. However, those share options have not been granted subsequently as the conditions were not being fulfilled, whereas, no share options were granted during the year ended 31 March 2018 and 31 March 2019. The number of share options of 101,500,000 and 127,901,333 were expired and lapsed accordingly as no share option were exercised by the employees during the year ended 31 March 2019 and 2020.

The 2013 Share Option Scheme has expired on 20 August 2023 (i.e. the tenth anniversary of its adoption). Upon its expiry, no further options could be granted by the Company under the 2013 Share Option Scheme.

There was no outstanding options as at 1 April 2023 and as at 31 March 2024 under the 2013 Share Option Scheme. No option was granted, exercised, cancelled or lapsed during the year ended 31 March 2024 (2023: nil), details of accounting policies adopted for the share options are described in Note 3.12 to the consolidated financial statements. Taking into account the options granted but not accepted or the conditions of grant not being fulfilled, the total number of Shares available for grant under the 2013 Share Option Scheme mandate as at 1 April 2023 were 21,565,600 (after Share Consolidation). No shares were available for grant under the 2013 Share Option Scheme as at 31 March 2024 since the 2013 Share Option Scheme has expired on 20 August 2023.

The New Share Option Scheme

Since the 2013 Share Option Scheme has expired, the Board proposed to adopt a new share option scheme (the "New Share Option Scheme") so that the Company can continue to provide incentives or rewards to the Group's eligible participants for their contribution to the Group. The New Share Option Scheme was adopted by an ordinary resolution passed by the Shareholders at the annual general meeting held on 28 September 2023. The New Share Option Scheme is valid and effective for a period of 10 years commencing on 28 September 2023 (the "Adoption Date").

Details of the New Share Option Scheme are set out in the circular of the Company dated 4 September 2023.

The purpose of the New Share Option Scheme is to grant Options at the discretion of the Board to any person who is (or will be on the Date of Grant) an Employee (or a prospective Employee), a director (or a prospective director) of the Company or any subsidiaries, or a director or an employee (full-time or part-time) of any Related Entity as may be determined by the Directors or the Remuneration Committee (as the case may be) from time to time (the "Eligible Persons") as incentives and rewards for their contribution to the Group.

The maximum number of shares in respect of all share options to be granted under the New Share Option Scheme was 63,139,020 shares, representing 10% of the issued shares of the Company as at its Adoption Date.

There were no outstanding options as the Adoption date and as at 31 March 2024. Since the adoption of the New Share Option Scheme and up to the date of this report, no share options have been granted by the Company under the New Share Option Scheme.

As at the Adoption Date and as at 31 March 2024, the total number of options available for grant under the New Share Option Scheme is 63,139,020, representing 10% and approximately 6.67% of the total number of issued shares of the Company at the Adoption Date and as at 31 March 2024 respectively.

The following is a summary of the principal terms of the New Share Option Scheme:

1. *PURPOSE OF THE NEW SHARE OPTION SCHEME*

   The purpose of the New Share Option Scheme is to recognise the contribution or future contribution of Eligible Persons to the Group, and provide the Eligible Persons with an opportunity to obtain a proprietary interest in the Company, to enable the Company to recruit and retain high-calibre employees and attract resources that are valuable to the Group and to provide the Company with a means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to such persons who contribute or may bring benefit to the Group.

2. *WHO MAY JOIN*

The Board may, from time to time during the Scheme Period, at its absolute discretion, offer an Option to an Eligible Person to subscribe for such number of Shares at the exercise price as the Board may determine, as set out in paragraph 11 below, subject always to any limits and restrictions specified in the Listing Rules.

3. *MAXIMUM NUMBER OF SHARES*

The Scheme Mandate Limit must not exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme.

The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit under the New Share Option Scheme after three years from the date of Shareholders' approval for the adoption of the New Share Option Scheme or the last refreshment.

The refreshment of Scheme Mandate Limit within any three-year period must be approved by the Shareholders subject to (i) any controlling Shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) abstaining from voting in favour of the relevant resolution at the general meeting; and (ii) the Company's compliance with the requirements under Rule 17.03C(1)(b)(ii) of the Listing Rules. The aforesaid (i) and (ii) do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme mandate (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole Share.

The total number of Shares which may be issued in respect of all Options and awards to be granted under all of the share option scheme and share award schemes involving issue of new Shares of the Company under the scheme mandate as refreshed must not exceed 10% of the relevant class of Shares in issue as at the date of approval of the refreshed scheme mandate.

The Board may grant Options in excess of the Scheme Mandate Limit (as refreshed from time to time) if the grant of such Options is to specifically identified Eligible Persons and the grant of such Options to specifically identified Eligible Persons is first approved by the Shareholders in general meeting. In obtaining the approval of the Shareholders, the Company must send a circular to the Shareholders containing all information as required by the Listing Rules. In respect of any Options to be granted, the date of the meeting of the Board proposing such grant should be deemed to be the date on which an offer of the grant of an Option is offered to an Eligible Person (the "Date of Grant") for the purpose of determining the exercise price of such Options.

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options and awards to be granted under the New Share Option Scheme and any other share option schemes and share award schemes involving issue of new Shares of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

4. *MAXIMUM NUMBER OF OPTIONS GRANTED TO ANY ONE INDIVIDUAL*

Unless approved by the Shareholders in the manner as set out in the paragraph below, the total number of Shares issued and to be issued in respect of all Options and awards granted under the New Share Option Scheme and any other share option schemes and share award schemes involving issue of new Shares of the Company to each Eligible Person (excluding any Options and awards lapsed in accordance with the terms of the New Share Option Scheme and any other share option schemes and share award schemes involving issue of new Shares of the Company) in any 12-month period (up to and including the date of such grant) shall not exceed in aggregate 1% of the relevant class of securities of the Company in issue.

Further Options (in the 12-month period up to and including the date of granting such further Options) in excess of this 1% limit may be granted to an Eligible Person by obtaining approval of the Shareholders in general meeting with such Eligible Person and his/her close associate(s) (or his/her associates if such Eligible Person is a connected person) abstaining from voting provided that the terms (including the exercise price) and number of Shares subject to the Options to be granted to such Eligible Person are fixed before the relevant Shareholders' approval is obtained, and the date of the meeting of the Board proposing such further grant shall be deemed to be the Date of Grant for the purpose of determining the exercise price of such Options. The Company must send a circular to the Shareholders disclosing all information as required by the Listing Rules.

5. *PERFORMANCE TARGET*

The New Share Option Scheme allows the Board at its absolute discretion, when offering an Option, to impose any condition including any performance target which must be achieved before the Option can be exercised. Such performance targets shall include, among others, financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of the Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Eligible Persons. For the avoidance of doubt, Options to be granted to an Eligible Person who is an independent non-executive Director shall not contain any performance-related elements, unless this is allowed by the Listing Rules.

6. *RESTRICTIONS ON THE TIME OF GRANT OF OPTION*

Subject to the requirements of the Listing Rules as may be amended from time to time, the Board shall not grant any Options under the New Share Option Scheme after Inside Information has come to the knowledge of the Company until (and including) the trading day after the Company has announced the Inside Information pursuant to the requirements of the Listing Rules. In particular, no Option shall be granted on any day on which its financial results are published and:

(a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly (if any) or half-year period up to the publication date of the results.

The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.

7. *GRANT OF OPTIONS TO CONNECTED PERSONS*

Any Options granted to a Participant who is a Director, chief executive or substantial shareholder of the Company or any of their respective associates under the New Share Option Scheme must be approved by the independent non-executive Directors and in any event that the proposed Participant is an independent non-executive Director, the vote of such independent non-executive Director shall not be counted for the purpose of approving such grant.

Any Options granted to an Eligible Person who is a substantial shareholder or independent non-executive Director or any of their respective associates, which will result in the total number of Shares issued and to be issued in respect of all Options and awards granted (excluding any Options and awards lapsed in accordance with the terms of the relevant share option scheme or the share award scheme involving issue of new Shares of the Company) to such person in the period of 12 months up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue, such proposed grant of Options must be approved by the Shareholders in general meeting by poll convened and held in accordance with the Articles of Association and the Listing Rules. The Company must send a circular to the Shareholders. All relevant Participants, his/her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. The circular shall contain the information as required under Rule 17.04(5) of the Listing Rules.

8. *ACCEPTANCE OF OPTIONS*

An offer of an Option to acquire Shares must be made by the Company on a Business Day and accepted in writing by the Participant in such manner as the Board may prescribe within 21 days of the same being made and if not so accepted shall lapse. An offer may be accepted in part. An offer may not be accepted unless the offeree remains an Eligible Person on acceptance.

The amount payable for the acceptance of an Option shall be the sum of HK$1.00 which shall be paid upon acceptance of the offer of such Option. This consideration shall not be refundable to the Participant and shall not be deemed to be a part payment of the exercise price.

9. *RIGHTS ARE PERSONAL TO GRANTEES*

An Option shall be personal to the Participant to whom it is granted or made. Save where the Stock Exchange has granted a waiver to the Participant to transfer his/her Option to a vehicle (such as a trust or a private company) for the benefit of the Participant and any family members of such Participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the New Share Option Scheme and comply with other requirements under the Listing Rules, the Participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option held by him/her or any offer relating to the grant of an Option made to him/her.

10. *TIME OF EXERCISE OF OPTIONS*

An Option may be exercised in whole or in part by the Participant at any time during the period to be notified by the Board upon the grant of Options during which they may be exercised, such period not to exceed 10 years from the Date of Grant of the relevant Options (the "Exercise Period") and subject to compliance with the terms of the relevant Option and the New Share Option Scheme.

11. *EXERCISE PRICE*

The exercise price shall be determined by the Board and shall not be less than the greater of:

(a) the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on the Date of Grant of such Option, which must be a Business Day;

(b) the average closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Date of Grant of such Option; and

(c) the nominal value of the Shares.

12. *VESTING PERIOD*

The vesting period in respect of any Options granted to any Participant shall be determined by the Board at its discretion and shall not be shorter than 12 months. The Remuneration Committee (where the arrangements relate to grants of Options to the Directors and/or senior management) or the Board (where the arrangements do not relate to grants of Options to the Directors and/or senior management) shall have the authority to determine a shorter vesting period, if the Remuneration Committee (or, as the case may be, the Board) considers that a shorter vesting period in respect of the Participants who are the directors (or prospective directors) and/or the Employees (or prospective Employees) of the Group is appropriate to align with the purpose of the New Share Option Scheme under any of the following circumstances:

(i) grants of "make-whole" Options to new joiners to replace the share options or share awards they forfeited when leaving the previous employers;

(ii) grants to a director and/or Employee of the Group whose employment is terminated due to death, disability or occurrence of any out of control event;

(iii) grants of Options with performance-based vesting conditions provided, in lieu of time-based vesting criteria; and the director and/or an Employee of the Group is required to satisfy the performance-based vesting conditions within 12 months from the Date of Grant. For the avoidance of doubt and save as otherwise provided in this paragraph, the vesting period shall not be less than 12 months if no performance target is imposed;

(iv) grants that are made in batches during a year for administrative and compliance reasons, which include Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batches. In such case, the vesting period may be shorter to reflect the time from which the Option would have been granted;

(v) grants of Options with a mixed or accelerated vesting schedule such as where the grant may vest evenly over a period of 12 months to reward exceptional performers; and

(vi) grants of Options with a total vesting and holding period of more than 12 months to reward exceptional performers.

Such discretion gives the Company more flexibility to (i) adapt to exceptional and justified circumstances, or (ii) attract talents or reward exceptional performers with accelerated vesting. These circumstances are also considered by the Stock Exchange to be justifiable reasons for having a shorter vesting period as set out in the Consultation Conclusions.

13. LAPSE OF OPTIONS

An Option shall lapse on the occurrence of the earliest of the following events:

(a) in the event that the grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full), he/she (or his/her legal representative(s)) may exercise the Option up to the grantee's entitlement (to the extent which has become exercisable and not already exercised) within a period of 12 months following his/her death or permanent disability or such longer period as the Board may determine; or

(b) in the event that the grantee ceases to be an Executive (as defined below) by reason of his/her retirement pursuant to such retirement scheme applicable to the Group at the relevant time, his/her Option (to the extent which has become exercisable and not already exercised) shall be exercisable until the expiry of the relevant Exercise Period; or

(c) in the event that the grantee ceases to be an Executive by reason of his/her transfer of employment to a controlling shareholder (as defined under the Listing Rules) of the Company or a subsidiary or an associate of a controlling shareholder of the Company, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation; or

(d) in the event that the grantee ceases to be an Executive for any reason (including his/her employing company ceasing to be a member of the Group) other than his/her death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his/her employment to a controlling shareholder (as defined under the Listing Rules) of the Company or a subsidiary or an associate of a controlling shareholder of the Company or the termination of his/her employment with the relevant member of the Group by resignation or termination on the grounds that he/her has been guilty of serious misconduct, or there exists grounds allowing his/her summary dismissal under his/her employment contract or under common law, or he/she is unable or has no reasonable prospects of being able to pay his/her debts within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) or another applicable law, or he/she has become otherwise insolvent or has made any arrangement or composition with his/her creditors generally, or he/she has been convicted of any criminal offence involving his/her integrity or honesty ("Culpable Termination"), the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation; or

(e) in the event that an grantee ceases to be an Executive by reason of the termination of his/her employment by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the grantee is notified of the termination of his/her employment (in the case of Culpable Termination) and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification; or

(f) in the event that the prospective Executive does not join the Group, within 6 months after the grant of the Options to him/her, the Option shall lapse on the last day of the 6-month period.; or

(g) upon the expiry of the periods as specified in paragraphs 17, 18 and 19.

"Executive" in paragraph 13 above refers to the directors (or prospective directors), employees (whether full-time or part-time) (or prospective employees) of the Group or of the Related Entities.

14. CLAWBACK MECHANISM

Notwithstanding the terms and conditions of the New Share Option Scheme, the Directors may provide in the Option certificate that any Option may be subject to clawback or a longer vesting period if any of the following events shall occur:

(A) there being a material misstatement in the audited financial statements of the Company that requires a restatement; or

(B) the Participant being guilty of fraud or persistent or serious misconduct, regardless of whether there is any accounting restatement or a material error in calculating or determining the performance metrics or other criteria; or

(C) if the Option is linked to any performance targets and the Directors are of the opinion that there occur any circumstances that show or lead to any of the prescribed performance targets having been assessed or calculated in a materially inaccurate manner.

The Directors may by notice in writing to the Participant concerned (i) claw back all or a specified part of the Options granted as the Directors may consider appropriate, or (ii) extend the vesting period (regardless of whether the vesting has occurred) in relation to all or a specified part of the Options (to the extent not already exercised) to such longer period as the Directors may consider appropriate. The Options that are clawed back pursuant to this paragraph will be regarded as cancelled and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

15. RIGHTS

No dividends shall be payable and no voting rights shall be exercisable in relation to Options that have not been exercised. Shares issued or transferred on the exercise of an Option shall rank equally in all respects with the other Shares of the same class in issue at the date of allotment (including without limitation as to voting, dividend and transfer rights and rights arising on the liquidation of the Company) and will be subject to all the provisions of the Articles of Associations. They will not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment. A Share issued upon the exercise of an Option will not carry voting rights until the registration of the grantee (or any other person) as the holder thereof in the register of members of the Company.

16. EFFECT OF ALTERATIONS TO CAPITAL

In the event of any alteration to the capital structure of the Company while any Option remains exercisable, whether by way of capitalization issue, open offer, rights issue, consolidation, reclassification, reconstruction, sub-division or reduction of the share capital of the Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to the maximum number of Shares subject to the New Share Option Scheme, and/or the aggregate number of Shares subject to the Option so far as unexercised, and/or the subscription price of each outstanding Option, provided that any such adjustments will be made on the basis that the aggregate subscription price payable by the grantee on the full exercise of any Option will remain as nearly as practicable the same as (but shall not be greater than) it was before such alteration, and that any such adjustment shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules, supplementary guidance issued by the Stock Exchange from time to time and that no Share will be issued at less than its nominal value. Any adjustments required must give a Participant the same proportion of the equity capital, rounded to the nearest whole share, as that to which that person was previously entitled.

In respect of any such adjustment, other than any made on a capitalization issue, an independent financial advisor or the auditors for the time being of the Company must confirm to the Board that the adjustments satisfy the requirements under the Listing Rules.

If there has been any alteration in the capital structure of the Company as referred above, the Company shall, upon receipt of a notice from a grantee in respect of the exercise of Option, inform the grantee of such alteration in accordance with the certificate of the independent financial advisor or auditors, or if no such certificate has been obtained, inform the grantee of such fact and instruct the auditors or independent financial advisor as soon as practicable thereafter to issue such certificate.

17. RIGHTS ON A GENERAL OFFER BY WAY OF TAKEOVER AND SCHEME OF ARRANGEMENT

If a general offer is made to all the Shareholders and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of the Shareholders (in the case of a scheme of arrangement), the grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time within 21 days after the date on which the offer becomes or is declared unconditional (in the case of a takeover offer) or prior to such time and date as shall be notified by the Company (in the case of a scheme of arrangement).

18. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all grantees and thereupon, each grantee (or his/her legal representative(s)) shall be entitled to exercise all or any of his/her Options at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the grantee credited as fully paid.

19. RIGHTS ON COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the grantees who have Options unexercised at the same date as it despatches notices to all members or creditors of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon each grantee (or his/her legal representative(s)) may until the expiry of the earlier of (i) the Exercise Period; (ii) the period of two months from the date of such notice; or (iii) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part of his/her Option. Except insofar as exercised in accordance with this paragraph, all Options outstanding at the expiry of the relevant period referred to in this paragraph shall lapse. The Company may thereafter require each grantee to transfer or otherwise deal with the Shares issued on exercise of the Options to place the grantee in the same position as would have been the case had such Shares been subject to such compromise or arrangement.

20. ALTERATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by a resolution of the Board except for some material alterations thereto or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules which shall not be carried out except with the prior approval by the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or approval in writing of such number of grantees as shall together hold Options in respect of not less than three-fourths in nominal value of all Shares then subject to Options granted under the New Share Option Scheme.

Unless otherwise approved by the Stock Exchange, the amended terms of the New Share Option Scheme or the Options shall comply with the relevant requirements of the Listing Rules (including but not limited to Chapter 17 of the Listing Rules).

Any change to the terms of Options granted to an Eligible Person must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options or awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

21. CANCELLATION OF OPTIONS

Any cancellation of any Option must be approved by the Board (including the approval of the independent non-executive Directors) and the Participant(s) concerned. In the event that the Board elects to cancel Options and issue new Options to the Participant(s) concerned, the issue of such new Options shall be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit or the Scheme Mandate Limit as refreshed, as the case may be.

22. *TERMINATION OF THE NEW SHARE OPTION SCHEME*

The Company may terminate the operation of the New Share Option Scheme at any time by a resolution at the general meeting and in such event, no further Option shall be offered thereunder but the provisions of the New Share Option Scheme shall remain in force in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the terms of the New Share Option Scheme.

SHARE AWARD SCHEME

On 14 March 2019, the Company adopted the share award scheme (the "Share Award Scheme") under which shares of the Company (the "Awarded Shares") may be awarded to selected employees (including executive directors), consultants or advisers of or to the Group and non-executive directors (including independent non-executive directors) of the Group (the "Selected Person(s)") pursuant to the terms of the Share Award Scheme and trust deed of the Share Award Scheme (the "Trust Deed"). The purpose of the Share Award Scheme is to recognize the contributions by the Selected Persons and to offer suitable incentives to attract and retain targeted talent and personnel for the continuance of operations and future development of the Group. The Share Award Scheme became effective on the adoption date and, unless otherwise terminated or amended, will remain in force for 10 years from that date, i.e., 13 March 2029. The Share Award Scheme is subject to the administration of the Board of Directors and the trustee of the Share Award Scheme (the "Trustee") in accordance with the Share Award Scheme and the Trust Deed.

The Board of Directors shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board of Directors under the Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a Selected Person under the Scheme shall not exceed 1% of the issued share capital of the Company from time to time. As at 31 March 2024 and the date of the this Report, the maximum number of shares which may be awarded to each participant was 6,313,902 shares, representing 1% of the then issued share capital of the Company, and 63,139,020 shares, representing 10% of the then issued share capital of the Company, were available for issue under the Share Award Scheme. Pursuant to the terms of the Share Award Scheme, the Board may, from time to time, at its absolute discretion grant any share awards to any selected participant at nil consideration.

The Board of Directors may contribute funds to the trust constituted by the Trust Deed (the "Trust") for the purchase or subscription of shares of the Company and other purposes set out in the Share Award Scheme and the Trust Deed. The Trustee shall hold the trust fund in accordance with the terms of the Trust Deed, and The Board of Directors may instruct the Trustee to purchase shares of the Company on the Stock Exchange and to hold them in trust for the benefit of the persons who are eligible for the Awarded Shares on and subject to the terms and conditions of the Share Award Scheme and the Trust Deed (the "Eligible Persons under the Share Award Scheme"). The Trustee shall not exercise the voting rights in respect of any shares, including but not limited to the Awarded Shares, any bonus shares and scrip shares derived therefrom, held by it under the Trust.

Subject to the terms and conditions of the Share Award Scheme and the fulfillment of all relevant vesting conditions, the respective Awarded Shares held by the Trustee on behalf of a Selected Person pursuant to the provision of the Share Award Scheme shall vest in such Selected Person in accordance with the vesting schedule (if any) and the Trustee shall cause the Awarded Shares to be transferred to such Selected Person on the vesting date at no consideration.

The terms of the Share Award Scheme allow the Trustee to subscribe for new Shares to be allotted and issued by the Company, and to purchase the existing Shares on the market.

Pursuant to the terms of the Share Award Scheme, the Share Award Scheme may be amended in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any the Eligible Persons under the Share Award Scheme under the rules of the Share Award Scheme.

On 22 August 2023, the Board passed a resolution to amend the terms of the Share Award Scheme to the effect that the Trustee is allowed only to purchase the existing Shares on the market or off the market to satisfy the awards to be granted under the Share Award Scheme, such that the Share Award Scheme has become a share scheme that is funded only by the existing Shares.

Since all the Shares held by the Trustee as at 22 August 2023 were purchased by the Trustee on the market and the Board intends that the Trustee will continue to purchase existing Shares on the market or off the market to satisfy the grant of awards under the Share Award Scheme, the Board considered that the amendments to the rules of the Share Award Scheme would reflect the operation of the Share Award Scheme and provide more flexibility to the Trustee in administering the Share Award Scheme.

No share awards have been granted under the Share Award Scheme since its adoption on 14 March 2019. Since no awards have been granted under the Share Award Scheme, the number of awards available for grant under the share award scheme mandate as at 1 April 2023 and 31 March 2024 were 52,616,220 shares and 63,139,020 shares respectively, representing 10% and approximately 6.67% respectively of the then issued share capital of the Company.

During the Current Year, no ordinary share of the Company for the Share Award Scheme was acquired (2023: nil). As at 31 March 2024, 4,274,400 shares of the Company were held by the Trustee.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company, or any of its subsidiaries a party to any arrangements that would enable the Directors, their respective spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during or at the end of the year ended 31 March 2024.

COMPETING INTEREST OF DIRECTORS, CONTROLLING SHAREHOLDERS AND THEIR RESPECTIVE ASSOCIATES

For the year ended 31 March 2024, none of the Directors, controlling shareholders of the Company or any of their respective associates (as defined under the Listing Rules) is considered to have interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interests, which is required to be disclosed under the Listing Rules.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 March 2024.

DEED OF NON-COMPETITION

Each of Forever Star, Mr. George Lu, Ms. Shen Wei and Ms. Lau Wing Sze (together as the "Controlling Shareholders") had entered into a deed of non-competition dated 21 August 2013 (the "Deed of Non-Competition") in favour of the Company (for itself and on behalf of all members of the Group), pursuant to which, each of the Controlling Shareholders would not, and would use his/her/its best endeavours to procure his/her/its associates (except any members of our Group) not to directly or indirectly carry on, engage, participate or hold any right or interest in or render any services to or otherwise be interested and/or involved (in each case whether as shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any business which may be in competition with the business carried on by the Group from time to time, except where the Company's approval is obtained.

Details of the Deed of Non-Competition are set out in the section headed "Relationship with our Controlling Shareholders – Non-Competition Undertakings" of the Prospectus.

The Deed of Non-Competition given by Mr. George Lu, Ms. Shen Wei and Ms. Lau Wing Sze ceased to have effect when each of them ceased to be a director of the Company.

The Company confirms that Forever Star have complied with the Deed of Non-Competition throughout the year ended 31 March 2024. In order to ensure Forever Star has complied with the Deed of Non-Competition, Forever Star has provided to the Company a written confirmation that (i) in respect of its compliance with the Deed of Non-Competition for the year ended 31 March 2024; and (ii) stating that it and its respective associate did not directly or indirectly, carry on or hold any right or interests in or render any services to, or is otherwise involved in, any business which maybe in competition with the business carried on by the Group from time to time.

The independent Non-Executive Directors of the Company have also reviewed the status of the compliance by Forever Star with the undertakings in the Deed of Non-Competition and have confirmed that, as far as they can ascertain, there is no breach by any of Forever Star of the undertakings in the Deed of Non-Competition being given.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Board on the basis of position, duties and performance of the employees.

The emoluments of the Directors are decided by the Board of Directors, having regard to the Company's operating results, individual performance and comparable market statistics.

REPORT OF THE DIRECTORS

CHANGES IN THE COMPOSITION OF THE BOARD

Changes in the composition of the Board during the year ended 31 March 2024 and up to the date of this Report of Directors are as follows:

Mr. Chan Wing Sum was appointed as an executive Director and Chief Executive Officer of the Company on 24 August 2023.

Ms. Kwok Ling Yee Pearl Elizabeth was appointed as an executive Director of the Company on 24 August 2023 and resigned on 5 April 2024.

Ms. Luo Ying was appointed as an executive Director of the Company on 5 April 2024.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings according to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. The Company had made specific enquiries of all Directors and was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the year ended 31 March 2024.

CONNECTED TRANSACTIONS

Details of the related party transactions undertaken in the usual course of business are set out in Note 38 to the consolidated financial statements. As these related party transactions constitute fully exempted continuing connected transactions of the Company under Chapter 14A of the Listing Rules, they are exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Board confirms that the Company has maintained a sufficient public float (i.e. at least 25% of the issued shares were held by the public) throughout the Current Year and up to the date of this report.

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

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

CORPORATE GOVERNANCE

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 50 to 65 of this annual report.

PERMITTED INDEMNITY PROVISIONS

During the year ended 31 March 2024 and as at 31 March 2024, the Company has purchased liabilities insurance for the Directors and officers, which provides appropriate insurance cover for the Group's directors and officers. A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year ended 31 March 2024.

REVIEW BY AUDIT COMMITTEE

The audited consolidated financial statements of the Group for the year ended 31 March 2024 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2024 complies with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

AUDITOR

The consolidated financial statements for the year ended 31 March 2024 have been audited by Baker Tilly Hong Kong Limited who retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution to re-appoint Baker Tilly Hong Kong Limited and to authorise the Directors to fix its remuneration will be proposed at the forthcoming AGM.

Save as the above, there has been no other change in the auditor of the Company in the preceding three years.

On behalf of the Board

Qu Hongqing
Executive Director

Hong Kong, 24 June 2024

CORPORATE GOVERNANCE REPORT

The Board is committed to maintaining a good corporate governance standard. The Board believes that a good corporate governance standard will provide a framework for the Group to formulate the business strategies and policies, and manage the associated risks through effective internal control procedures. It will also enhance the transparency of the Group and strengthen the accountability to the shareholders and creditors. In this regard, a Corporate Governance Committee of the Board has been established with primary responsibility for developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board.

The Company has adopted the requirements under the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 to the Listing Rules as its own code of corporate governance. The Company had complied with the code provisions set out in the CG Code for the Current Year.

Accordingly, the Board is pleased to present the Corporate Governance Report for the Current Year.

DIRECTORS' SECURITIES TRANSACTIONS

The Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings according to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules. Having made specific enquiries of all Directors, all the Directors confirmed that they had complied with the required standard of dealings and the Company's code of conduct regarding securities transactions by Directors during the Current Year.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group's overall businesses, strategic decisions and performance.

The respective responsibilities, accountabilities and contributions of the Board and the Company's management have been divided through the adoption of a list of matters reserved for the Board (which has been reviewed by the Board annually to ensure that the list would remain appropriate to the needs of the Company), as opposed to other matters which could be delegated to the management from time to time. The list of matters reserved for the Board covers (among other things) the Group's strategy, objectives, business plans, budgets and overall management; changes in capital structure or corporate structure; approval of dividend policy and declaration of interim and final dividends, as appropriate; major investments; and approval of internal policies, codes and guidelines.

Subject to the foregoing, the Board has delegated its powers to the management for the daily management and operations of the Group. In addition, the Board has delegated its powers to the Board committees. The Board has four Board committees, namely the remuneration committee, the audit committee, the nomination committee and the corporate governance committee, each of which discharges its functions and duties in accordance with the respective terms of reference with reference to the relevant provisions under the CG Code.

CORPORATE GOVERNANCE REPORT

The Board currently comprises six Directors, with three Executive Directors and three independent Non-Executive Directors. The Directors who were in office during the Current Year and up to the date of this report are as follows:

Executive Directors
Mr. Chan Wing Sum *(Chief Executive Officer) (appointed on 24 August 2023)*
Mr. Qu Hongqing
Ms. Luo Ying *(appointed on 5 April 2024)*
Ms. Kwok Ling Yee Pearl Elizabeth *(appointed on 24 August 2023 and resigned on 5 April 2024)*

Independent Non-Executive Directors
Mr. Loo Hong Shing Vincent
Mr. Zhu Shouzhong
Mr. Li Huaqiang

The biographical details of the Directors and relationship between them (if any) are set out in the section headed "Biographical Details of Directors and Senior Management" on pages 7 to 9 of this annual report.

Mr. Chan Wing Sum, Ms. Kwok Ling Yee Pearl Elizabeth and Ms. Luo Ying had obtained legal advice upon appointment and they understood their obligations as directors of a listed issuer under the Listing Rules.

The Articles of Association provide that one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation at each AGM provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election.

The Board is responsible for the formulation of the Group's business strategies and overall policies, and monitoring the performance of the management and corporate governance functions. The Executive Directors are delegated with the power to execute the business strategies, develop and implement the policies in the daily operation of the Group. The independent Non-Executive Directors provide their professional advices to the Group whenever necessary.

Composition of the Board, including names of the independent Non-Executive Directors, is disclosed in all corporate communications to shareholders of the Company.

All Directors have full and timely access to all the information and accounts of the Group. The Directors may seek independent professional advice in appropriate circumstances, at the expense of the Company. The Company will, upon request, provide separate independent professional advice to the Directors to assist them to discharge their duties to the Company. The Company has arranged appropriate insurance cover for the Directors.

ATTENDANCE OF DIRECTORS AT MEETINGS

The Board held eight Board meetings and one general meeting (including one annual general meeting) for the year ended 31 March 2024.

The attendances of the Directors at various meetings held during the Current Year are set out below:

	Number of meetings attended/eligible to attend					
	General meetings	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings	Corporate Governance Committee meetings
Mr. Qu Hongqing[1, 3, 8]	1/1	8/8	N/A	2/2	2/2	1/1
Mr. Chan Wing Sum *(appointed on 24 August 2023)*	1/1	6/6	N/A	N/A	N/A	N/A
Ms. Luo Ying *(appointed on 5 April 2024)*	N/A	N/A	N/A	N/A	N/A	N/A
Ms. Kwok Ling Yee Pearl Elizabeth *(appointed on 24 August 2023 and resigned on 5 April 2024)*	1/1	6/6	N/A	N/A	N/A	N/A
Mr. Loo Hong Shing Vincent[2, 4, 6, 7]	1/1	8/8	2/2	2/2	2/2	1/1
Mr. Zhu Shouzhong[5]	1/1	8/8	2/2	N/A	N/A	N/A
Mr. Li Huaqiang[1, 3, 5, 7]	1/1	8/8	2/2	2/2	2/2	1/1

Notes:
1. Member of Remuneration Committee
2. Chairman of Remuneration Committee
3. Member of Nomination Committee
4. Chairman of Nomination Committee
5. Member of Audit Committee
6. Chairman of Audit Committee
7. Member of Corporate Governance Committee
8. Chairman of Corporate Governance Committee

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

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

In accordance with C.1.4 of the CG Code with regards to continuous professional development, all Directors have participated in continuous professional development to develop and refresh their knowledge and skills. To further ensure all Directors are adequately informed about the Company's business and operations as well as his/her responsibilities under relevant laws, rules and regulations, the management provides all Directors with regular updates regarding the Company's performance as well as updates on latest amendments and developments to the Listing Rules and other relevant legal and regulatory requirements from time to time.

The management encouraged all Directors to actively participate in continuous professional development by way of a combination of in-house training, attending webinars, seminars, briefings, conference, forums, workshops or other appropriate courses and distribution of relevant reading materials, newsletters and publications, to (i) develop and refresh their knowledge and understanding of the Group and its business; (ii) update their skills and knowledge with respect to the latest development or changes in the relevant commercial, legal and regulatory statutes, the Listing Rules and corporate governance practices; and (iii) enhance their awareness on the responsibilities for a director of a listed corporation.

The Directors received the following training for the year ended 31 March 2024 according to the records provided by the Directors:

Directors	**Training on corporate governance, regulatory development and other relevant topics**
Executive Directors	
Mr. Qu Hongqing	✓
Mr. Chan Wing Sum *(Chief Executive Officer) (appointed on 24 August 2023)*	✓
Ms. Kwok Ling Yee Pearl Elizabeth *(appointed on 24 August 2023 and resigned on 5 April 2024)*	✓
Independent Non-Executive Directors	
Mr. Loo Hong Shing Vincent	✓
Mr. Zhu Shouzhong	✓
Mr. Li Huaqiang	✓

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has three independent Non-Executive Directors, all of them have appropriate professional qualification or related financial management expertise. The Company has received a written confirmation of independence from each of the independent Non-Executive Directors. The Company considers that each of the independent Non-Executive Directors is independent.

TERM OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

All the independent Non-Executive Directors have signed letters of appointment with the Company with a term of three years.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each Director of the Company has either entered a service contract with the Company or has an appointment letter. The Directors were appointed for a term of three years unless terminated by either party by a specific months of notice in writing. Under the service contract, the initial annual emoluments of each Executive Director is fixed and the remuneration payable to each of them will be reviewed by the Board each year.

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Articles of Association. Pursuant to the Company's Articles of Association, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election. Pursuant to the Company's Articles of Association, at each annual general meeting, one third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one third), shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

REMUNERATION COMMITTEE

The Board has established a Remuneration Committee with its role and function set out in its specific written terms of reference in accordance with the provisions set out in the CG Code, which are posted on the websites of the Stock Exchange and the Company. The principal duties of the Remuneration Committee are to formulate the Company's remuneration policy and recommend remuneration packages of the Directors and senior management of the Company to the Board for approval. The Company's remuneration policy is based on position, duties and performance of the employees. The employees' remuneration varies according to their positions, which may include salary, overtime allowance, bonus and various subsidies. The performance appraisal system varies according to the positions of the employees. During the Current Year, the performance appraisal is supervised by each member of the Remuneration Committee, namely Mr. Loo Hong Shing Vincent (Chairman), Mr. Qu Hongqing and Mr. Li Huaqiang.

The Remuneration Committee comprises two independent Non-Executive Directors, namely Mr. Loo Hong Shing Vincent as the chairman of the Remuneration Committee, Mr. Li Huaqiang and an Executive Director, namely Mr. Qu Hongqing.

During the Current Year, two meetings of the Remuneration Committee were held to make recommendation to the Board on the Company's policy and structure for all remuneration of the Directors and the senior management and on the establishment of a procedure for developing policy on such remuneration; and determine or recommend to the Board on the remuneration packages of all the Executive Directors and the senior management, and recommend to the Board of the remuneration of the Non-Executive Directors. All members of the Remuneration Committee attended all meeting held during the Current Year.

DIRECTORS' REMUNERATION POLICY

The Directors' remuneration policy is set out in the section headed "Employees and Emolument Policy" on page 26 of this annual report.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the remuneration by band of the members of the Directors and senior management of the Company, for the year ended 31 March 2024, are set out below:

Band of remuneration (HK$)	Number of individuals
HK$0 to HK$1,000,000	6
HK$2,000,001 to HK$2,500,000	1

NOMINATION COMMITTEE

The Board has established a Nomination Committee with its role and function set out in its specific written terms of reference in accordance with the provisions set out in the CG Code, which are posted on the websites of the Stock Exchange and the Company.

The Nomination Committee is responsible for reviewing the Board composition, Board diversity, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment of Directors and assessing the independence of independent Non-Executive Directors.

The Nomination Committee reviews the structure, size and composition of the Board regularly to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. Where vacancies on the Board exist, the Nomination Committee will carry out the selection process based on the Company's nomination policy by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs, the Board Diversity Policy and other relevant statutory requirements and regulations.

During the Current Year, the Nomination Committee comprises two independent Non-Executive Directors, namely Mr. Loo Hong Shing Vincent as the chairman of the Nomination Committee, Mr. Li Huaqiang, and an Executive Director, namely Mr. Qu Hongqing.

During the Current Year, two meetings of the Nomination Committee were held to review the structure and composition of the Board, identify individuals suitably qualified to become Board members, select or make recommendations to the Board on the selection of individuals nominated for directorships, review of the board diversity policy and revise written terms of reference to the Nomination Committee. All members of the Nomination Committee attended all meetings held during the Current Year.

NOMINATION POLICY

The Company has adopted the Nomination Policy which sets out the selection criteria and procedures to nominate Board candidates. When making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, the Nomination Committee would consider a number of factors in assessing the suitability of the proposed candidate, including but not limited to: (i) reputation for integrity; (ii) qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy; (iii) diversity in all aspects, including but not limited to gender, age, cultural and educational background, experience (professional or otherwise), skills and knowledge; (iv) the ability to assist and support management and make significant contributions to the Group; (v) commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board Committees; (vi) compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment or re-appointment of an independent non-executive Directors; and (vii) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time. Appointment of any proposed candidates to the Board or re-appointment of any existing members of the Board shall be made in accordance with the Articles of Association and other applicable rules and regulations. The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting. The nomination process set out in the Nomination Policy is as follows:

Appointment of New Director

(i) The Nomination Committee and/or the Board may select candidates for directorship from various channels, including but not limited to internal promotion, re-designation, referral by other member of the management and external recruitment agents.

(ii) The Nomination Committee and/or the Board should, upon receipt of the proposal on appointment of new Director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

(iii) If the process yields one or more desirable candidates, the Nomination Committee and/or the Board should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).

(iv) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

Re-election of Director at General Meeting

(i) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board.

(ii) The Nomination Committee and/or the Board should also review and determine whether the retiring Director continues to meet the criteria as set out above.

(iii) The Nomination Committee and/or the Board should then make recommendation to Shareholders in respect of the proposed re-election of Director at the general meeting.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at the general meeting, the relevant information of the candidate will be disclosed in the circular to Shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

BOARD DIVERSITY POLICY

The Company recognises the benefits of having a diversified Board. The Company has adopted a Board Diversity Policy with the aim of achieving an appropriate level of diversity among Board members according to the circumstances of the Group from time to time. In summary, the board diversity policy sets out that when considering the nomination and appointment of a Director, with the assistance of the Nomination Committee, the Board would consider a range of diversity of perspectives, including but not limited to the skills, knowledge, professional experience and qualifications, cultural and educational background, age, gender and the potential contributions that the candidate is expected to bring to the Board, in order to better serve the needs and development of the Company. All Board appointments will be based on merits and candidates will be considered against objective criteria, having due regard to the benefits of diversity to the Board.

The Board Diversity Policy provides that the Board shall take opportunities to balance our Board members' gender diversity over time when selecting and making recommendations on suitable candidates for Board appointments, with the ultimate goal of bringing our Board to gender parity. Currently, the Board has 6 members, comprising five male members and one female member. The Board has achieved a gender parity. To achieve gender diversity on the Board, the Board will take opportunities to increase the proportion of female members over time when selecting and making recommendations on suitable candidates for board appointments in the future.

A summary of the Board Diversity Policy is set out as follows:

Policy Statement	The Company recognizes the benefits of having a diverse Board, and views an appropriate range and balance of talents, skills, experience and diversity of perspectives at the Board level as a business imperative that will help the Company achieve its strategic objectives and maintain a competitive advantage.
Measurable Objectives	Pursuant to the Board Diversity Policy, we seek to achieve diversity of our Board through the consideration of a number of factors when selecting candidates to our Board, including but not limited to professional experience, talent, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. All appointments of the members of the Board should be made on merit. Our Nomination Committee will review and assess the composition of the Board and make recommendations to the Board on the appointment of members of the Board.
Monitoring, Reporting and Review	Our Nomination Committee is responsible for reviewing the diversity of our Board. The Board will review the implementation and effectiveness of the Board Diversity Policy annually, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives in order to ensure that the policy remains effective.
Policy Compliance	Under the current composition of our Board as at the date of this annual report, our Directors have a balanced mix of knowledge and skills, including in management, strategic development, business development, sales and marketing, finance and investments.

As at the date of the annual report, an analysis of the Board's current composition based on the measurable objectives is set out below:

Gender	**Age Group**
Male: 5 Directors	30-40: 1 Director
Female: 1 Director	41-50: 1 Director
	51-60: 2 Directors
	61-70: 2 Directors

Designation

Executive Directors: 3 Directors
Independent Non-executive Directors: 3 Directors

Educational Background

University graduated or above: 4 Directors

Nationality

Chinese: 6 Directors

Business Experience

Experience related to the Company's business: 5 Directors
Accounting & Finance: 1 Director

The Nomination Committee and the Board are of the view that the current composition of the Board has achieved the objectives set in the Board Diversity Policy.

The Nomination Committee will review the Nomination Policy and the Board Diversity Policy from time to time to ensure their continued effectiveness.

GENDER DIVERSITY

The Group has taken and continues to take steps to promote diversity at all levels of its workforce. As at 31 March 2024, our total workforce comprised approximately 44% female and 56% male. The Nomination Committee considered that the current ratio of male and female employees is relatively balanced. The Group will ensure that there is gender diversity when recruiting staff at mid to senior level of the Group so that it will have a pipeline of female senior management and potential successors to the Board in the future.

The Company plans to offer all-rounded trainings to female employees whom we consider to have the suitable experience, skills and knowledge of our operation and business, including but not limited to, business operation, management, accounting and finance, legal and compliance.

The Company is of the view that this strategy will offer chances for the Board to identify capable female employees to be nominated as a member of the Board in the future with an aim to providing the Board with a pipeline of female candidates to achieve gender diversity in the Board in the long run. As of the date of this annual report, the Board currently has one female Director and as such has achieved gender diversity in respect of the Board. The Nomination Committee will use its best endeavors and on suitable basis, identify and recommend female candidates to our Board for its consideration on the appointment of a Director as and when appropriate with the goal to maintain at least one female Director in our Board, subject to the Directors (i) being satisfied with the competence and experience of the relevant candidate based on reasonable criteria; and (ii) fulfilling their fiduciary duties to act in the best interests of the Company and its Shareholders as a whole when considering the appointment. The Company believes that such a merit-based selection process with reference to the Board Diversity Policy and the nature of our business will be in the best interests of the Company and its Shareholders as a whole.

AUDIT COMMITTEE

The Board has established an Audit Committee with its role and function set out in its written terms of reference in accordance with the provisions set out in the CG Code, which are posted on the websites of the Stock Exchange and the Company. All of the committee members are independent Non-Executive Directors with the chairman of who possesses the appropriate professional qualifications and accounting experience. The principal duties of the Audit Committee include the following:

(i) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant or external auditors before submission to the Board.

(ii) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.

(iii) To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

(iv) To review arrangements which employees of the Company can use to raise concerns about possible improprieties in financial reporting, internal control or other matters.

During the Current Year, the Audit Committee comprises three independent Non-Executive Directors, namely Mr. Loo Hong Shing Vincent as the chairman of Audit Committee, Mr. Zhu Shouzhong and Mr. Li Huaqiang. The Audit Committee held two meetings during the Current Year to review interim results, annual results, financial reporting and compliance procedures, risk management and internal control system of the Group. The Audit Committee has also made recommendations to the Board on the re-appointment of the external auditors after reviewing the scope of work offered, taking into account their remuneration and terms of engagement. All of the meetings were attended with the Company's independent auditor so that the members of the Audit Committee could exchange their views and concerns on the financial reporting process of the Group with the auditor. All members of the Audit Committee attended all meetings held during the Current Year.

Under Code Provision D.2.5 of the CG Code, the Company should have an internal audit function. The Company has no internal audit function because the Company has maintained an internal control system and its implementation has been considered effective and adequate by the Audit Committee and the Board. In addition, the Audit Committee has communicated with external auditors of the Company to understand if there is any material control deficiency. Nevertheless, the Company will review the need for one on an annual basis.

Procedures and Controls over Handling and Dissemination of Inside Information

With respect to the procedures and internal controls for the handing and dissemination of inside information, the Group has internal policy and procedures which strictly prohibit unauthorised use of inside information and has communicated to all staff; the Board is aware of its obligations to announce any inside information in accordance with the Listing Rules and conducts the affairs with reference to the ''Guidelines on Disclosure of Inside Information'' issued by the Securities and Futures Commission in June 2012. In addition, only Directors and delegated officers can act as the Group's spokesperson and respond to external enquiries about the Group's affairs.

CORPORATE GOVERNANCE COMMITTEE

The Board has established a Corporate Governance Committee with its role and function set out in its written terms of reference in accordance with the provisions set out in the CG Code and Corporate Governance Report as set out in the Listing Rules, which are posted on the websites of the Stock Exchange and the Company.

Its primary functions include: (i) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to Directors and employees of the Group; (v) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report as required under Appendix C1 to the Listing Rules; and (vi) to consider other matters, as authorised by the Board.

During the Current Year, the Corporate Governance Committee comprises an Executive Director, namely Mr. Qu Hongqing as the Chairman of the Corporate Governance Committee, two independent Non-Executive Directors, namely Mr. Loo Hong Sing Vincent and Mr. Li Huaqiang. The Corporate Governance Committee held one meeting during the Current Year and each committee member had full attendance for all the meetings.

CORPORATE GOVERNANCE FUNCTIONS

The Board and the Corporate Governance Committee have reviewed the Company's policies and practices on corporate governance and compliance with the CG Code, reviewed and monitored the training and continuous professional development of Directors and senior management and reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements during the Current Year.

INDEPENDENT VIEW MECHANISM

The Board has resolved to adopt a Board Independence Evaluation Mechanism, to ensure independent view and input are available to the Board. The Board Independence Evaluation Mechanism includes various measures to ensure independent views and input are available to the Board.

The Board shall at all times comprise at least three independent non-executive Directors that represent at least one-third of the Board, such that there is always a strong element of independence on the Board which can effectively exercise independent judgment. Each independent non-executive Director is required to provide an annual confirmation of his/her independence to the Company and the nomination committee of the Company is responsible to assess the independence of each independent non-executive Director at least annually.

All the Directors, including the independent non-executive Directors, are given equal opportunity and channels to communicate and express their views to the Board and have separate and independent access to the management of the Group in order to make informed decisions. All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The chairman of the Board will hold meetings with the independent non-executive Directors without the involvement of other Directors at least annually to discuss any issues and concerns. Any Director or his/her associate who has a conflict of interest in a matter to be considered by the Board will be dealt with by a physical Board meeting rather than by written resolutions. Such Director will be required to declare his/her interests before the meeting and abstain from voting and not counted towards the quorum on the relevant resolutions. Independent non-executive Directors who, and whose associates, have no interest in the matter should attend the Board meeting.

The Board has reviewed and considered that the Board Independence Evaluation Mechanism is effective in ensuring that independent views and input are provided to the Board during the year ended 31 March 2024.

CONFLICTS OF INTEREST

If a Director has a conflict of interest with a transaction or proposal to be considered by the Board, such Director is required to declare such interest and to abstain from voting. The matter is considered at a Board meeting attended by Directors who have no material interest in the transaction. The Group also adopted certain internal control policies to manage potential conflicts of interest.

COMPANY SECRETARY

Mr. Wong Kwok Ming, the company secretary of the Company, is a full-time employee of the Group and has day-to-day knowledge of the Company's affairs. The company secretary has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biographical details of the company secretary are set out in the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Mr. Wong Kwok Ming resigned from the position of company secretary of the Company and Mr. So Wing Chun ("Mr. So") has been appointed as the company secretary of the Company with effect from 1 April 2024. Mr. Wong Kwok Ming is the principal contact person of Mr. So in the Company.

Mr. So is a manager of SWCS Corporate Services Group (Hong Kong) Limited, a corporate secretarial services provider in Hong Kong. He is the company secretary of Leading Holdings Group Limited (Stock Code: 6999) and Ling Yue Services Group Limited (Stock Code: 2165) and was the company secretary of Pa Shun International Holdings Limited (Stock Code: 574), companies listed on the Main Board of the Stock Exchange. Mr. So obtained a Bachelor of Business Administration (Honours) from Hong Kong Shue Yan University. He is an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. So has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Group which give a true and fair view of the state of affairs of the Group and of its loss and cash flows for the year ended 31 March 2024. The Directors have prepared the financial statements of the Group on a going concern basis, and have selected appropriate accounting policies and applied them consistently, with applicable disclosures required under the Listing Rules and pursuant to the relevant statutory requirements.

The responsibilities of the auditor of the Company, Baker Tilly Hong Kong Limited, are set out in the section headed "Auditor's responsibilities for the audit of the consolidated financial statements" in the Independent Auditor's Report on pages 86 to 91 of this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board has the overall responsibilities for the internal control of the Group, including risk management. To facilitate effective and efficient operations and to ensure compliance with relevant laws and regulations, the Group emphases on the importance of the risk management and internal control system which is also indispensable to mitigating the Group's risk exposures. The Group's risk management and internal control system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage and eliminate risks of failure in operational systems and fulfillment of the business objectives.

The risk management and internal control system is reviewed on an ongoing basis and at least annually by the Board in order to make it practical and effective in providing reasonable assurance in relation to protection of material assets and identification of business risks. The Board is satisfied that, based on information furnished to it and on its own observations, the present internal controls of the Group are satisfactory. The Audit Committee oversees the risk management and internal control system of the Group and communicates any material issues with the Board.

The Group is committed to the identification, monitoring and management of risks associated with its business activities and has implemented a practical and effective control system which includes a defined management structure with limits of authority, a sound cash management system and periodic review of the Group's performance by the Audit Committee and the Board.

The Board has conducted review of the effectiveness of the risk management and internal control system and is of the view that the risk management and internal control system adopted during the year ended 31 March 2024 is sound, adequate and effective to safeguard the interests of the shareholders and the Group's assets.

AUDITOR'S REMUNERATION

The auditor, Baker Tilly Hong Kong Limited, has provided both audit and non-audit services to the Group. The Audit Committee is responsible for making recommendations to the Board on the appointment, re-appointment, removal and remuneration of the independent auditor.

For the year ended 31 March 2024, the fee for audit service and non-audit services (i.e. non-assurance service) provided to the Group amounted to approximately HK$0.9 million and HK$Nil respectively (2023: HK$0.9 million and HK$0.8 million, respectively).

CONSTITUTIONAL DOCUMENTS

During the Current Year, there is no significant change in the Company's constitutional documents.

COMMUNICATION WITH SHAREHOLDERS

During the Current Year, the Company strives for maintaining effective and on-going communication with and timely disclosing useful information to the shareholders and potential investors of the Company.

To ensure that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, the Company had established a shareholders' communication policy and reviewed its implementation regularly to ensure its effectiveness. The Company believes that the shareholders' communication policy implemented during the year is adequate and effective.

The Company provides information in relation to the Group to the shareholders in a timely manner through a number of formal channels, including the annual general meeting, interim and annual reports, announcements and circulars. Such published documents together with the corporate information of the Group are also available on the Company's website (www.huabangtechnology.com).

Subject to applicable laws and regulations, including the Listing Rules and the Articles of Association as amended from time to time, shareholders may convene a general meeting/put forward proposals in accordance with the following provisions:

1. One or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings can deposit a written request to convene an extraordinary general meeting ("EGM") at the principal place of business of the Company in Hong Kong, for the attention of the Board or the Company Secretary.

2. The written request must state the name of the shareholders concerned, their respective shareholdings, the objects of the meeting, including details of the business(es) and resolutions proposed to be considered and approved at the meeting, signed by the shareholders concerned.

3. The request will be verified with the Company's branch share registrar and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the shareholders. On the contrary, if the request has been verified as not in order, the shareholders concerned will be advised of this outcome and accordingly, an EGM will not be convened as requested.

4. If within 21 days of such deposit of the requisition, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

5. The notice period to be given to the shareholders in respect of the EGM varies according to the nature of the proposal. Notice of the EGM at which the passing of a special resolution is to be considered, notice of the EGM shall be arranged to be sent to the shareholders at least 21 clear days or 10 clear business days (whichever is longer) before such EGM.

Procedures for shareholders sending enquiries to the Board

1. *Enquiries about shareholdings*
   Shareholders should direct their enquiries about their shareholdings to the Company's branch share registrar, Tricor Investor Services Limited, via its online holding enquiry service at www.tricoris.com, or send email to is-enquiries@hk.tricorglobal.com or go in person to its public counter at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

2. *Enquiries about corporate governance or other matters to be put to the Board and the Company*
   The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send written enquiries to the Company, for the attention of the Board or Company Secretary, by mail to 33/F, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong. Shareholders may call the Company at (852) 2314 0822 for any assistance.

On behalf of the Board

Qu Hongqing
Executive Director

Hong Kong, 24 June 2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Huabang Technology Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") hereby presents this Environmental, Social and Governance ("ESG") report ("ESG report") for the year ended 31 March 2024 (the "Year"), in order to comply with the requirements set forth in Appendix C2 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited. This report provides an overview of the Group's policies implementation and performance with respect to sustainable development and social responsibilities areas.

The reporting scope of the ESG Report includes the Company and its principal subsidiaries, unless otherwise specified, the environmental key performance indicators ("KPIs") of this report cover the operations of the Group's offices in Hong Kong, accountable for almost all of the Group's revenue, while excluding the operations in the PRC, due to the operations of the PRC subsidiaries is not material. The Group is primarily engaged in trading business and financial services business.

The Report covers the overall performance, policies and practices of the Group's business and operation regarding its environmental and social responsibilities. This Report has followed the Reporting Principles as set out in the HKEx ESG Reporting Guide, including Materiality, Quantitative, Balance and Consistency. To align with the best interest of our readers, we conducted a materiality assessment through the help with our stakeholders to select the key ESG issues concerning with our business operation, which are covered in the later parts. This ESG Report mainly focuses on the aspects that have identified as material and relevant to the Group's businesses and its key stakeholders.

We discussed the social KPIs associated with the performance of the Group in employment, labour standards, supply chain management, development and training, community investment, etc. We referenced the ESG Reporting Guide as set out in Appendix C2 of the Listing Rules and the standards of Greenhouse Gas Protocol, this makes our ESG performance measurable, in regards to the carbon emission, resource usage, waste generation and so on. We computed the environmental KPIs based on our emission and waste produced in our operation process and also the daily activities in the office.

In addition, this report aims to provide our reader a comprehensive and objective view of the ESG management efficacy of the Group, therefore, we are committed to revealing statistics and numbers to the best of our knowledge.

REPORTING SCOPE

The ESG Report mainly focuses on the areas that have been identified as material and relevant to the Group's business and its key stakeholders for the Reporting Period. The reporting scope of the ESG Report includes the Company and its principal subsidiaries, unless otherwise specified, the environmental KPIs of this report cover the operations of the Group's offices in Hong Kong, accountable for almost all of the Group's revenue, while excluding the operations in the PRC, due to the operations of the PRC subsidiaries is not material. The Group is primarily engaged in trading business and financial services business.

ESG APPROACH AND STRATEGIES

The Group believes in delivering long term sustainable value creation to our shareholders. In doing so, while we carry on our business, we make choices that bring positive impacts to the communities. We have adopted a sustainability policy which covers employment and labour practices, business integrity, the environment and the community. The Group is committed to supporting good environmental standards and to ensuring implementation of environmental-friendly measures.

We understand the importance of its impact on sustainable environmental development. We will continue to encourage and ensure the efficient use of resources in our operation process to save energy and reduce GHG emission as much as possible. We will keep putting effort in protecting the environment and we are planning to work with our customers on handling the wastes in a more proper way. Based on the characteristics of our business, we established a three-step environmental goal. At the same time, we closely monitor environmental risks to ensure that relevant risks are under control.

Environmental Targets:

Target 1: Achieve a gradual reduction in GHG Emissions in coming year by year. This is a quantitative target. We will implement the relevant target in various departments and branch structures of the organization, especially in the use of electricity, to ensure the achievement of the target.

Target 2: Continuously improving the monitoring and management of environmental issues. The ongoing enhancement of environmental monitoring and management involves a dynamic process aimed at bolstering our ability to track, assess, and address various environmental concerns. This involves deploying advanced technologies, refining data collection methods, and strengthening regulatory frameworks. We have noticed that GHG Emissions of Scope 3 which have gradually received attention from regulatory agencies and industry organizations. GHG Emissions of Scope 3 are the indirect emissions outside of scope 2 emissions that occur in the value chain of the Group. We will closely monitor policy changes and guard against the risks they may pose to the company. We will continue to strengthen the establishment of a monitoring system for Scope 3 greenhouse gas (GHG) emissions. At the same time, we will continuously strengthen our focus on and management of more environmental issues, such as the environmental footprint of hardware infrastructure.

Target 3: As a listed company, we are well aware of the importance of social responsibility. We are deeply aware of our products and services play an important role in promoting environmental development. Base on Target 1 and Target 2, we will take actions and provide solutions contributes to the environmental upgrading of upstream and downstream companies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING PRINCIPLES

Materiality:

Important and relevant information to stakeholders on different ESG aspects is covered in this report, and relative importance of ESG topics has been determined through materiality assessment and approved by the Board.

Quantitative:

Quantitative information is provided in this report, and where appropriate, with narrative and comparative data to assist readers in meaningful interpretation of figures and enable them to perform fair assessment of the Group's ESG performance.

Consistency:

Consistent methodologies (as presented in previous reports) are used to prepare and present ESG data provided in this report, unless otherwise specified.

Balance:

Unbiased information is provided in this report, without the inappropriate use of selections, omissions or presentation formats that would mislead the readers.

ESG GOVERNANCE

A strong ESG governance structure sets the foundation for a company to become a socially and environmentally responsible company. The Board acknowledges its responsibility for and commitment to identify the ESG risks and opportunities in the Group. The Board has also engaged in determining the major ESG strategies and planning of the ESG related goals. The Group consistently incorporated consideration of environmental, social and governance into our operation, aligning with our dedication of creating sustainable value for stakeholders and uphold our role as a responsible corporate citizen. We are committed to making a positive impact on our environment and community, while adhering to our philosophy of sustainable development rooted in our core business practices, our relationships with stakeholders, and our environmental performances. The sections in our Report will disclose our corresponding management approaches in environmental and social aspects.

BOARD'S ESG RESPONSIBILITY

The Board recognizes the overall responsibility for the Group's ESG strategies and reporting and for evaluating and determining the Group's ESG related risks. Moreover, the Board is responsible to develop the environmental goals to motivate the Group to achieve its goals and have a better performance in the future. For the purpose of continuous improvement, ESG performance is regularly measured, reviewed and reported to the management.

The Board is collectively responsible for the overall development and review of the ESG matters. Whenever ESG issues arise, they will be put to the Board for further discussion. We will also consider to seek professional advice from third party whenever necessary.

To achieve sustainable development of the Company, the Board will continuously communicate with stakeholders and effectively balance their expectations and needs as the Board strives to maximize the long-term benefits of all stakeholders.

STAKEHOLDERS' ENGAGEMENT

The Group understand stakeholder engagement is a critical element to the success of the Group. To conduct the Group's materiality assessment in identifying and understanding the main concerns and material interests of stakeholders. We communicate with stakeholders from all circles on a regular basis, constantly collect their suggestions and feedback, and fully comprehend their opinions on the Group's performance and expectations on and demands for the Group by establishing different channels such as general meetings, annual reports, announcements, and company website.

The following table illustrates the issues of concern of our major stakeholders and the ways we communicate with stakeholders:

Stakeholder	Expectation	Engagement channel	Measure
Shareholders and Investors	• Robust operational compliance • Good returns on investment • Disclosure of information in a fair, transparent and timely manner	• Annual general meeting and other shareholder meetings • Interim reports, annual report, announcements • Company's website • Meeting with investor	Issued notices of general meeting and proposed resolutions according to regulations, disclosed company's information by publishing announcements, circulars, interim report and annual report in the Year. Carried out different forms of investor activities with an aim to improve investors' recognition. Disclosed company contact details on website and in reports and ensured all communication channels available and effective.
Government, public and communities	• To comply with the laws • Ensure safety, environmental protection and social responsibility	• On-site inspections and checks • Discussion through work reports preparation and submission for approval	Operated, managed according to laws and regulations, strengthened safety management; accepted the government's supervision, inspection and evaluation, and actively undertook social responsibilities.

Stakeholder	Expectation	Engagement channel	Measure
Employees	• Safeguard the rights and interests of employees • Salary and welfare • Working environment • Career development opportunities • Health and safety • Training and briefing sessions	• Policies and procedures • Channels for employees to express their opinions • Performance assessment • Team activities	Provided a healthy and safe working environment; established policies and procedures according to local labour law; developed communication channel with management; developed a fair mechanism for promotion; cared for employees by helping those in need and organizing employee activities.
Customers	• Assurance on quality and quantity of product • Stable relationship • Group's reputation and brand image • Market demand	• Site visit • Email and customer service • Regular meetings	Organised marketing activities and site visit.
Suppliers/Partners	• Long-term partnership • Honest cooperation • Fair and open policy • Information resources sharing • Timely payment	• Strategic cooperation • Regular meetings and visits • Tendering process	Invited tenders to select best suppliers and contractors, performed contracts according to agreements, enhanced daily communication, and established long-term cooperation with quality suppliers and contractors.

Stakeholder	Expectation	Engagement channel	Measure
Peer/Industry associations	• Experience sharing • Corporations • Fair competition	• Industry conference • Site visit • Website	Stuck to fair play, cooperated with peers to realise winwin, shared experiences and attended seminars and meetings of the industry so as to promote sustainable development of the industry.

Stakeholders' valuable opinions regarding the Group's policies and approaches in terms of sustainable development are the vital driving force for the Group's continuous improvement. The Group welcomes stakeholders' feedback on its ESG approach and performance. For any suggestion or opinion, please mail to the Group's office at 33/F, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

MATERIALITY ASSESSMENT

Materiality assessment was conducted in accordance with the expectation and feedback from the key stakeholders. Based on the assessment, the management of the Group prioritises employees' rights and obligations and product responsibility as material aspects of the long-term sustainability. Effective internal control systems on these aspects are reinforced with the aim of enhancing efficiency of operations and generating the environmental and social benefits to our stakeholders. The Group has conducted a materiality assessment during the year and this review enhanced the Group in prioritizing its sustainability issues and highlighting the material and relevant aspects, so as to align them with stakeholders' expectations. The result of the materiality assessment is shown as the following materiality matrix:

Materiality Matrix		Importance to the Group: Low	Importance to the Group: Medium	Importance to the Group: High
Importance to Stakeholder	High		• Community Investment	• Product responsibility • Supply Chain Management
	Medium	• Environment and natural resources • Climate changes	• Data privacy • Air emissions • Greenhouse gas emissions • Use of Resources • Employment and labour practice	• Occupational Health and Safety • Staff Development & Training • Anti-corruption • Regulatory compliance
	Low		• Waste Management • Intellectual property • Labour Standards • Harmonious workplace	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENT

The Group mainly engaged in trading business and financial services business in Hong Kong, while it does not constitute any significant impact to the environment and does not generate any material level of greenhouse gas ("GHG") or any material hazardous and non-hazardous waste. The Group has developed a guidance memorandum regarding environmental protection practices in relation to air and GHG emissions, use of resources, waste discharges and generation of hazardous and non-hazardous waste, which will be reviewed annually and delivered to staff. The Group upholds its commitment to sustainable development and complies with relevant laws and regulations on environmental protection. We encourage our employees to focus on and enhance their awareness of environmental protection. The Group strives to protect the environment through the implementation of control activities and monitoring measures in its business activities and workplace. We are committed to promoting a green environment by introducing environmentally friendly business practices, educating our employees to enhance their awareness on environmental protection and complying with the relevant environmental laws and regulations.

In order to mitigate the environmental impacts produced by the Group's operation, we have adopted and implemented relevant environmental policies. These policies apply the emission mitigation principle as well as the use of resources and waste management principle of "Reduce, Reuse, Recycle and Replace", with the objectives of minimizing the adverse environmental impacts and ensuring the emission being generated or waste disposed are managed in an environmentally responsible manner. The Group mainly consumed petrol, electricity, water and paper during the Year.

The Group strives to comply with all relevant environmental laws and regulations that are applicable to its business operation. The Group also pays attention to the regional and international update of the climate-related issues. As the Group's business does not involve industrial production activities in nature, there is no significant impact on the climate-related issue, environment and natural resources arising from its business operations. Its business does not involve in the production-related air, water, or land pollutions which are regulated under the laws and regulations of Hong Kong.

During the reporting period, the Group did not identify any material non-compliance with related environmental laws and regulations. The Group has not violated any environmental laws or regulations, nor has any compliant, penalty, or sanctions been imposed upon the Group for the violation of any environmental laws or regulations.

Emissions

The Group was principally engaged in (i) trading business and (ii) financial services business. Based on the aforesaid, the Group's operations is not expected to have a significant impact on the environment arising from its operating activities and will not generate hazardous pollutants. The Group's major sources of air emissions and greenhouse gas emissions were originated from petrol consumed by vehicles, consumption of purchased electricity on our cold storages, warehouses and offices and business air travel by employees. The Group has developed guidelines in relation to daily vehicular operation. The Group periodically records and monitors the fuel consumed, educates employees to turn off engines for idling vehicles, and conducts regular vehicle inspections and maintenance to enhance vehicle efficiency.

The Group targets to minimise hazardous emissions, the Group has developed measures and encourages its employees to:

1. Take public transport instead of driving during travels, whenever possible, to reduce vehicle exhaust emissions;

2. Use telephone or video conferencing to replace business trips as far as feasible to reduce carbon emissions;

3. Take the eco-friendly modes of transportation that have low levels of pollution, such as railway lines, trams, LPG minibuses, etc.; and

4. Use environmentally-friendly cleaning agents to reduce water pollution.

I. Air emissions

Due to our business nature, the Group considers the relevant air emissions generated are not expected to be significant. The Group's major sources of exhaust gas emissions were originated from petrol consumed by vehicles. Petrol was used in private cars for business meetings and travels. The Group has developed guidelines in relation to daily vehicular operation. The Group periodically records and monitors the fuel consumed, educate employees to turn off engines for idling vehicles, and conduct regular vehicle inspections and maintenance to enhance vehicle efficiency. For the year ended 31 March 2024, the air emissions of Nitrogen Oxides (NOx), Sulphur Oxides (SOx) and Particulate Matter (PM) was 1,590.4 g, 312.3 g and 117.1 g (2023: 2,112.7 g, 93.3 g and 155.6 g) respectively, representing an increase/(decrease) of (522.3 g), 219.0 g and (38.5 g) respectively. In coming year, the Group will commit to reduce the level of air emissions by implementing the aforementioned strategies.

II. Greenhouse gas emissions

The major sources of the Group's GHG emissions were (i) direct GHG emissions generated from petrol consumed by vehicles (Scope 1), (ii) indirect GHG emissions from consumption of purchased electricity (Scope 2) and (iii) other indirect GHG emission from paper use and business air travel by the employees (Scope 3). For the year ended 31 March 2024, the summary of GHG emission from the Group's operation are as follows:

Type of GHG emissions	**Equivalent Carbon dioxide (CO_2) emission**		
	2024	2023	Increase
Scope 1 – Direct emissions	**50.1 tonnes**	15.0 tonnes	35.1 tonnes
Scope 2 – Indirect emissions	**215.7 tonnes**	63.9 tonnes	151.8 tonnes
Scope 3 – Other indirect emissions	**13.7 tonnes**	6.2 tonnes	7.5 tonnes
Total GHG emissions	**279.5 tonnes**	85.1 tonnes	194.4 tonnes
Total GHG emission intensity	**5.1 tonnes/employee**	1.9 tonnes/employee	3.2 tonnes/employee

The Group has set the emission target for the coming year to reduce the emission intensity level. In order to achieve this emission target, the Group will continue to implement a number of emission reduction measures as mentioned in the section headed "Emissions".

III. *Waste management*

The Group's operations do not produce any hazardous waste. The non-hazardous wastes generated by the Group were mainly papers and solid wastes generated in our offices during our operation. During the reporting period, the Group took necessary steps to monitor and manage the environmental effect of the operations. The Group aims to reduce the energy consumption and carbon emissions, and seeks to find less harmful ways to protect the environment in the operations. Our internal guidelines have complied with all the relevant laws and regulations applicable to our operations under different jurisdictions. In order to ensure the sustainability of the environment, the Group has instilled the attitude of "Less Use and Less Waste" to advocate the waste reduction, and used the concept of "Reduce, Reuse, and Recycle" to improve the utilization of energy and resources and achieve the benefit of economic efficiency. During the reporting period, the Group has devoted substantial efforts to waste management by minimising solid waste to landfills through waste reducing, waste reusing and waste recycling. One of the essential measurements is through promoting the importance of waste reduction among the employees of the Group through training and education. Going paperless is always our key message passed to the employees of the Group and they are encouraged to use electronic copies for filing purpose and use recycled papers for printing in order to reduce waste. Our efforts to reduce paper usage include implementing paperless e-Payroll systems. In addition, to strengthen the support for waste recycling, the Group sets up a collection area to collect waste paper for recycling. The Group will provide guidance to the employees to develop a recycling habits not just only at work, but also in their daily life and influence their surroundings by their actions.

Due to the Group's business nature, the non-hazardous waste and hazardous waste are not deemed to be material to the Group's business. No related statistics of both non-hazardous waste and hazardous waste produced were recorded. The Group has set a target for the coming year to maintain minimal and immaterial non-hazardous waste and hazardous waste same as the current year. In order to achieve this target, the Group will continue to take steps to monitor the waste management as mentioned above. We shall closely follow regulatory changes and update our disclosure accordingly in the future.

Use of Resources

The resources used by the Group for its operations are mainly electricity consumption, petrol consumption, water consumption and paper consumption. In order to uphold its commitment to sustainable development, the Group educates its employees to be aware on energy and resources conservation and environmental protection. The Group's employees have kept the use of resources to a minimum through various green practices.

I. *Electricity consumption*

The world is facing historic global warming challenges and the Group strives to save energy and resources to create a low-carbon and operate in all our business sectors in a sustainable way. The following guidelines have been developed by the Group to aim to minimize the electricity consumption:

1. Use of energy-efficient lights and electrical appliances in office workplace.

2. Staff are encouraged to dress in smart casual and indoor temperature is maintained at around 25°C in the summer time.

3. Turn off some lights and air conditioning during lunch hours and non-office hours.

4. Enable the "Standby" or "Sleep" mode of printers and computers.

For the year ended 31 March 2024, the electricity consumption by offices of the Group and cold stores of food trading business is as follows:

Use of resources:	**Electricity consumption**		
	2024	2023	Increase
Direct consumption:	**326,764 Kilowatt per hour**	96,855 Kilowatt per hour	229,909 Kilowatt per hour
Intensity:	**5,941 Kilowatt per hour/employee**	2,201 Kilowatt per hour/employee	3,740 Kilowatt per hour/employee

II. *Petrol consumption*

Petrol was consumed by the vehicles of the Group for its daily operation. Petrol was used in private cars for business meetings and local travels and trucks for delivery of product. The Group has developed guidelines in relation to daily vehicular operation. The Group periodically records and monitors the fuel consumed, educate employees to turn off engines for idling vehicles, and conduct regular vehicle inspections and maintenance to enhance vehicle efficiency.

For the year ended 31 March 2024, the petrol consumption by vehicles of the Group is as follows:

Use of resources:	**Petrol consumption**		
	2024	2023	Increase
Direct consumption:	**21,241.8 Litres**	6,349.6 Litres	14,892.2 Litres
Intensity:	**386.2 Litres/employee**	144.3 Litres/employee	241.9 Litres/employee

III. Water consumption

Water consumption included consumption from offices of the Group for its operation and food processing factory of the food trading business acquired during the year. The Group regularly reminds its staff to conserve water resources through publishing notices and reminders. To reduce water consumption, staff are reminded to control tap flow and report any dripping taps or water leakage to relevant department promptly. Since the Group only focuses on office operations, there are no issues in sourcing water that is fit for the purpose.

For the year ended 31 March 2024, we followed the practice of last year to measure the data for water usage for comparison. The water consumption of the Group is as follows:

Use of resources:	**Water consumption**		
	2024	2023	Increase
Direct consumption:	**2,144 Cubic meter**	147 Cubic meter	1,997 Cubic meter
Intensity:	**39.0 Cubic meter/ employee**	3.3 Cubic meter/ employee	35.7 Cubic meter/ employee

IV. Use of paper

The Group prioritises to consume environmental-friendly and sustainable products for its office supplies and encourage recycling in its operations. The Group's existing business does not involve producing packaging material used for finished products. The Group's existing businesses are not expected to pose a significant use of packaging materials; however, the Group has developed guidelines to the employees to reduce usage of paper. The Group recommends the employees to handle the informal documents electronically and to use double-sided printing for any documents other than formal and confidential documents. Re-using single-sided paper and recycling doubled-sided used paper are also required. For the year ended 31 March 2024, the Group consumed 565 kg (2023: 328 kg) of printing paper, representing an increase of 237 kg of printing paper. The paper consumption intensity was 10.3 kg per employee (2023: 7.5 kg), representing an increase of 2.8 kg per employee.

The Group has set a target for the coming year to reduce the level of electricity consumption, petrol consumption, water consumption and paper consumption by implementing the aforementioned strategies. The Group will continue to implement various measures as mentioned above in order to achieve this target.

Environment and Natural Resources

Although the core business of the Group has limited impact on the environment and natural resources, as an ongoing commitment to good corporate social responsibility, we recognise the responsibility in minimising the negative environmental impacts of our operations in achieving sustainable development to generate long-term values to our stakeholders and community. The Group is committed to building an environmental-friendly corporation that pays close attention to conserve natural resources. To incorporate environmental sustainability into the Group's operations, the Group strives to minimise its environmental impact and move forward to a low-carbon future.

Regulatory Compliance

For the year ended 31 March 2024, the Group did not have any material non-compliance issues in respect of any applicable laws and regulations on environmental protection relating to air, GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste. The Group's management continuously oversees the implementation of relevant policies and measurements. In addition, the Group's management will adjust and reform the policies from time to time to ensure the achievement of better results.

Climate Change

Climate change is one of the challenges facing the world. Rising temperatures and extreme weather are threatening society and our business operations. The Group regularly reviews the impact of climate change on its daily business operations. It is committed to adopting various environmentally-friendly operating measures to reduce greenhouse gas emissions and the pressure caused by global climate change. At the same time, we will actively assess and manage climate-related operational risks and improve our ability to adapt to climate change.

Since our major business operation is carried out on office premises, climate change does not have a direct significant impact on the business. The Group may experience productivity loss due to an increase in extreme weather conditions, such as super typhoons and heavy rainstorms. Under the extreme weather events, the safety of our employees is threatened and our office may be damaged, which may cause disruption to the normal business operations of the Group. To minimise the potential risks, the Group adopts flexible working arrangements and employees may work from home in adverse weather conditions, if applicable.

SOCIAL

Employment and Labour Practices

Employment

The Group treasures talent as it is one of the most valuable assets and keys for driving success and maintaining sustainable development. The Group strives to provide its staff with a safe and competitive platform for career development and advancement.

The Group strictly complies with the relevant laws and regulations regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits set out in the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China as well as the Employment Ordinance, Employees' Compensation Ordinance, and Minimum Wage Ordinance of Hong Kong. In addition, the Group reviews and updates its employment practices and internal guidelines on a regular basis to comply with the latest regulatory requirements.

The Group strictly prohibits the recruitment of child labor or forced labor, by strictly compliance in accordance with the Law of the People's Republic of China on the Protection of Minors, the Law of the People's Republic of China on the Protection of Rights and Interests of Women, and the Implementing Regulations of the Employment Contract Law of the PRC as well as the Employment of Children Regulations of Hong Kong, the Group will examine the identification documents of job seekers during recruitment to ensure that they qualify for corresponding posts. To further protect the rights and interests of employees, the Group signs contracts with all employees, which stipulate wages, benefits, working hours, holidays, employee responsibilities, dismissal and so on, to ensure that the Group and employees have the same understanding of operating posts and conditions.

The Group contributes to mandatory provident fund, employees' compensation insurance, social insurances and housing fund for all the staff in a timely manner. The Group determines working hours and rest periods for employees in line with relevant employment laws and employment contracts with employees. In addition to statutory holidays such as the basic paid annual leave, employees are also entitled to maternity leave.

During the Year, the Group is not aware of any non-compliance with the laws or regulations relating to employment and labour practices that have a significant impact on the Group.

To attract high-calibre workforce, the Group offers competitive and fair remuneration and benefits based on individuals' performance, professional qualifications and experiences. In order to motivate and reward existing management and employees, the Group conducts regular salary review to ensure that its staff are recognised by the Group with regard to their working efforts and contributions. Meanwhile, any termination of employment contract should be based on reasonable and lawful grounds. The Group strictly prohibits any kinds of unfair or unreasonable dismissals.

As an equal opportunity employer, the management of the Company is committed in creating a fair, respectful and diversified working environment by promoting anti-discrimination and equal opportunity in all human resources and employment decisions. For instance, training and promotion opportunities, dismissals and retirement policies are determined irrespective of their gender, race, age, disability, family status, marital status, pregnancy status, sexual orientation, religious beliefs, nationality, social and ethnic origin or any other non-job related factors in all business units. The Group's equal opportunities policy enforces zero tolerance to any workplace discrimination, harassment or victimisation. If there is any discrimination incidents, employees can report to human resources department of the Group. Disciplinary actions would be taken against any employee if there is any non-compliance or breach of legislation related to the equal opportunities policies. The number of employees and turnover rate of the Group as at 31 March 2024 are as follows.

(Number of employees)	**2024**	2023
Total number of employees	**55**	44
By gender		
Male	**31**	26
Female	**24**	18
By employment type		
Full-Time	**55**	44
Part-time	**0**	0
By age group		
Aged 21-30	**2**	2
Aged 31-40	**18**	11
Aged 41-50	**13**	13
Aged 51 above	**22**	18
By region		
Hong Kong	**54**	43
Mainland China	**1**	1

	2024	2023
Employee turnover rate[1]	**28%**	47%
(Number of employees)		
By gender		
Male	**7**	12
Female	**7**	9
By age group		
Aged 21-30	**2**	4
Aged 31-40	**4**	10
Aged 41-50	**6**	3
Aged 51 above	**2**	4
By region		
Hong Kong	**14**	21
Mainland China	**0**	0

Note:

1 Employees who did not pass the probation are not included.

OCCUPATIONAL HEALTH AND SAFETY

The Group places strong importance in securing the health and safety of employees and in maintaining workplace safety and comfort for its staff. The Group regularly reviews and monitors potential occupational health and safety risks within the office and warehouses to ensure a safer workplace environment for the employees.

The Group endeavors to create a safe, healthy, and comfortable working environment for employees. Although the Group's business does not involve high-risk work, it strictly complies with relevant laws and regulations including the Law of the People's Republic of China on Work Safety and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases as well as the Occupational Safety Health Ordinance of Hong Kong, to implement the most comprehensive protection for employees.

We implemented the followed measures:

– Check the office area carefully before leaving, turn off the unnecessary power, close the doors and windows and eliminate dangers;

– If unsafe equipment is found and can cause accidents, it is required report immediately to the relevant departments and make adjustments;

– Keep the workplaces with good ventilation;

– Avoid overcrowded workplaces;

– Add warning signs in the dangerous areas to warn others to keep distance;

– Keep basic first aid equipment in the office;

– Report immediately to the relevant people and handle properly when there is an accident; and

– Propose adjustment plans to avoid the similar incidents, etc.

In response to the outbreak of the COVID-19 pandemic, the Group has also implemented a series of precautionary measures and has complied with guidelines from the regional government authorities to ensure the health and safety of its employees. In addition to requiring employees to perform regular community test, the Group requires employees to check and record their temperatures upon arriving to the workplace and reminds employees the importance of maintaining social distancing and provides surgical masks to employees whenever necessary. To further prevent cross infection within the workplace, clear guidelines are also in place to respond to situations where employees or their family members are found to have contracted the virus.

During the Year, the Group is not aware of any non-compliance with the relevant laws and regulation on occupational health and safety that have a significant impact on the Group. The number of lost days due to work related injury during the Year was zero days. The Group has no work-related fatalities case during the past three years (include the Current Year).

DEVELOPMENT AND TRAINING

The Group endeavours to enhance the skills of each employee in various aspects by providing staff trainings. In order to assist employees in reaching the "keep moving" spirit, the Group supports individual learning and self-improvement of our employees at all levels by providing tailor-made training sessions and education subsidies. The trainings are beneficial for our employees in adopting professional knowledge and improving efficiency in the Group's business operations which also ultimately increase their job satisfaction and morale. The Group has constantly provided on-job education and trainings for its employees to improve their knowledge and expertise.

The Group encourages employees to participate in on-the job training and continuing education to create opportunity for career development. The Group provides orientation training to all new employees in order to give a better understanding to the culture, practices and safety requirements of the Group. The Group provides diversified on-the-job training to employees covering topics such as management skills, professional skills, technical knowledge, latest news and information about corporate culture and ensure employees are able to meet the changing demands in the Group and the market. By providing continuous training, employees gain satisfaction and enjoyment from their roles and increase the motivation. Through a series of training covering various topics, our staff's understanding towards the Group's business, management structure and corporate culture would be gradually enhanced. Employees are encouraged to fully develop their potential and strengths.

The Group provided internal training to all directors and senior management of the Group which covered the major changes of the Listing Rules, regulations and technical updates. During the year, the total number of hours of training received by all directors and senior management were 145 hours. The average training hours completed per director and senior management were approximately 21 hours.

The total number of hours of training received by all middle management of the Group for the year were 38 hours. The average training hours completed per middle management were approximately 4 hours.

The total number of hours of training received by the Group's employees (other than directors, senior management and middle management) for the year were 69 hours. The average training hours completed per employee were approximately 2 hours.

During the Year, total number of hours of training received by male employees and female employees were 158 hours and 94 hours respectively. The average training hours completed per male employee and female employee were approximately 5 hours and 4 hours respectively.

The percentage of male employees and female employees received training for the year were approximately 58% and 88% respectively. The percentage of directors and senior management, middle management and the Group's employees (other than directors, senior management and middle management) received training for the year, were approximately 100%, 89% and 59% respectively.

LABOUR STANDARDS

The Group strictly abides by the Employment Ordinance and other laws and regulations to prohibit any child and forced labour. To combat against illegal employment, the human resources department of the Group is responsible for recruitment which requires the job applicants to provide valid identity documents prior to the confirmation of employment to ensure that the applicants are lawfully employable. The Group prohibits any force of work under threat or duress. The Group encourages the employees to report any suspected case of child or forced labour to the management. If any case is reported, investigation will be carried out and appropriate actions will be taken to prevent future occurrence.

The human resources department of the Group is responsible for monitoring and ensuring compliance of latest and relevant laws and regulations in relation to the prevention of child labour and forced labour. During the Year, no violation of relevant laws and regulations in relation to the prevention of child labour and forced labour was noted.

HARMONIOUS WORKPLACE

The Group believes employees hold strong positions in the success of our business. Therefore, the Group is determined to promote workplace diversity, protect employees' rights and encourage a friendly corporate culture. With the aim of motivating its employees to demonstrate its core values and to ultimately boost their sense of belonging, the Group strictly implements employment practices, internal equality and nondiscrimination principles.

To ensure the ability to attract and retain employees, the Group regularly reviews the remuneration and welfare policy such as an attractive bonus system and medical insurance.

OPERATING PRACTICES

Supply Chain Management

The Group aims to maintain long-term, stable and strategic cooperative relationships with suppliers in order to achieve a co-development relationship with the suppliers. The Group expects all suppliers to embrace corporate social responsible value since the supply chain management is an essential part of the corporate responsibility.

The Group has established a rigorous supplier selection system. When selecting suppliers, the Group takes various factors into account such as quality of products and functionality, price, reliability and anticipated market acceptance.

In view of growing social concern on environmental issues, the Group has also incorporated environmental and social considerations in the supplier selection process. We expect suppliers to observe the environmental, social, health and safety and governance considerations in their operations.

To identify environmental and social risk along the supply chain, the Group conducts sustainability evaluations in accordance with internal standards and processes, including site inspections and document checks. The Group provides improvement guidance and advice to the suppliers that fail to meet the standard.

To shorten the transportation time and minimise associated pollution from transportation, the Company prioritises suppliers which are in the same region. During the Current Year, 67.8% (2023: 84.5%) of our suppliers were based in Hong Kong.

The Group has also formulated policies and procedures to ensure that suppliers could compete in a transparent and fair manner. We do not differentiate and discriminate against any suppliers, and we do not tolerate any forms of corruption or bribery. Employees and other individuals with interest in the suppliers are also not allowed to participate in relevant procurement activities.

The Group has strict quality control in each operation step: procurement, production and warehousing. The Group checks quality and stability of products, so as to select high-quality product-suppliers and to ensure the quality of products. In respect of warehouse management, warehouse inventory follows the principle of convenient storage and management which can minimise errors.

During the Year, the number of suppliers by geographical region is as follows:

Geographical region	**Number of suppliers**	
	2024	2023
Hong Kong	**40**	49
PRC	**9**	–
Norway	**7**	7
Japan	**2**	2
Others	**1**	1

PRODUCT RESPONSIBILITY

The Group has dedicated to deliver safe and high-quality products to the customers, as the Group believes these are the key factors to establish reputation and to maintain a long-term relationship with customers which are essential to the success of any business. The Group is principally engaged in (i) computer products trading business, (ii) food trading business and (iii) financial services business.

Regarding the computer products trading business, the computer and peripheral products and electronics products being sourced were all manufactured by famous brands in the world. In terms of quality assurance control, suppliers provide warranty on the products they supply to the Group for distribution of electronic components and finished products. They are also responsible for providing or procuring the provision of in-warranty service to the end customers.

The Group also adopts the following quality assurance control and recall procedures policies on the products:

– a series of inspections upon the receipt of the products in our warehouse regarding, among others, their appearance, packaging, specification and brand logo, etc. on a sampling basis; and

– if any defects are identified for products after sale, the relevant product will be recalled from customers and returned to the supplier for replacement.

Regarding the food trading business, the Group employs stringent procedures to source products through our global network of suppliers. It is the Group's responsibility to ensure that all the products are safe to consume for the population as food safety is critical for protecting the health and wellbeing of people and sustainability of the food industry.

The Group adopts the following policies to ensure safe and good quality products are deliver to the customers:

– ensure timely deliveries of products to best conditions

– full traceability for all products

– competencies and an understanding of risk within food safety

– compliance with requirements for food safety in accordance with all relevant food safety regulations

In respect of warehouse management, the Group has adequate and suitable warehouse facilities to keep the products in good condition and good quality.

The Group strictly complies with all applicable laws and regulations and obtains all the licences relating to product responsibility.

During the Year, the Group was not aware of any non-compliance with the laws or regulations relating to product responsibility issues. During the Year, no sold-products were recalled for safety and health reasons.

The Group attaches great importance to maintain customer relationships and values customers' opinions. The Group maintains close communication with the customers in order to obtain better understanding of the customers' expectations and feedbacks. During the Year, the Group did not receive any complaints from customers. Should any complaint arise, the Group will carefully consider and investigate to identify the issues.

DATA PRIVACY

Protecting the security and privacy of stakeholders' personal data is important to the Group. The Group ensures compliance with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) and other statutory requirements to meet a high standard of security and confidentiality of personal data privacy protection. The following data protection principles are adopted in preserving proper security and use of data:

- We only collect personal data that are relevant and required for our businesses;
- We will not share personal data to any entity that is not a member of the Group without consent unless it is required by law or it was previously notified; and
- We maintain appropriate data collection, storage, and processing practices and security measures to protect against unauthorised access to personal information.

During the Year, no complaints regarding breaches of customer data and privacy were received, and no reported incident of non-compliance with laws and regulations relating to product responsibility.

INTELLECTUAL PROPERTY

The Group respects intellectual property rights, including but not limited to trademarks, patents, copyrights and designs in the preparation of marketing and communication materials. The Group requires its staff to comply with regulatory requirements in collecting, holding, processing, disclosing and using personal information, as well as protecting confidential information received in the course of business. Consents are required prior to usage of any trademarks.

The Group ensures compliance with the Hong Kong Intellectual Property Law and carried out the following measures:

– Ensure that the Company's trademarks, commercial and technical secrets, software and other intellectual property rights are not infringed;

– Monitor regularly intellectual property rights in the market; and

– Use copyright-protected application software and avoid legal disputes caused by security vulnerability and software copyrights, etc.

ANTI-CORRUPTION

To maintain a fair, ethical and efficient business and working environment, the Group strictly adheres to the laws and regulations relating to anti-corruption, such as the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong), and bribery irrespective of the area or country where the Group is conducting business. The Group has formulated and strictly enforced anti-corruption policies pursuant to which the Group will not tolerate any form of corruption. All employees are expected to discharge their duties with integrity and self-discipline. They should abstain from engaging in any activities related to bribery, extortion, fraud and money laundering which may exploit their positions against the Group's interests in the course of business.

The Group has issued relevant whistle-blowing procedures in setting up a private communication channel on reporting suspicious fraudulent actions to the Group's management directly. In addition, when the Group cooperates with external parties, the Group implements proper internal control process and tendering process to prevent any potential threats on corruption.

During the Year, there was no legal case regarding corrupt practices brought against the Group or its employees. There were no suspected enquiries or reported cases involving fraud against the Group. The Group was also not aware of any material non-compliance with related laws and regulations of bribery, extortion, fraud and money laundering. The Group will continue to review and improve the internal control and corporate governance to maintain high standard of ethics and integrity in all business operations.

During the year, training materials were sent out to the Board and employees to refresh their knowledge on the Group's Standards on business ethics as well as the latest anti-corruption resources published by the Independent Commission Against Corruption.

COMMUNITY INVESTMENT

The Group emphasises the importance of social responsibility awareness to its staff and encourages them to participate in social activities and charitable activities.

The Group believes in people-oriented management principle, carries out a variety of activities in fulfilling our social responsibilities, actively pursues social contribution initiatives and strives to create a sustainable and harmonious society.

The Group encourages its employees to dedicate their time and skills to support the local communities and encourages its business partners to implement and improve corporate social responsibility policies. The Group strives to develop long-term relationship with our stakeholders and brings a positive impact on community development.

During the Year, the Group mainly allocated its resources on business expansion, which resulted in less contribution to community investment. In the coming years, the Group shall review policies in relation to community investment and explore the feasibility of increasing community investment activities.

INDEPENDENT AUDITOR'S REPORT

bakertilly
天職國際

TO THE SHAREHOLDERS OF HUABANG TECHNOLOGY HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Huabang Technology Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 92 to 222, which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy 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 "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment on loan receivables and cash client receivables	
Refer to Notes 4(b), 5.1(b), 19 and 20 to the consolidated financial statements. We identified impairment assessment on loan receivables and cash client receivables as a key audit matter due to the significance of these amounts to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses at the end of the reporting period. As at 31 March 2024, the gross balance of loan receivables and cash client receivables were HK$63 million and HK$241 million respectively; the corresponding impairment allowances were HK$48 million and HK$229 million respectively. The impairment assessment on loan receivables and cash client receivables involves significant management judgements and estimates in the assessment of credit risk, the uses of models and the choices of inputs in the calculation of expected credit loss at the reporting date. At each reporting date, the Group assesses whether there has been a significant increase in credit risk since their initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.	Our procedures to evaluate the Group's impairment assessments on loan receivables and cash client receivables as at 31 March 2024 included the following: • obtaining an understanding of the Group's credit risk management and practices, and assessed the Group's impairment provision policy and related management judgements; • assessing the appropriateness of the Group's determination of significant increase in credit risk and the basis for classification of exposures into the three stages. Our assessment included reviewing the loan overdue information, loan-to-value percentage for cash client receivables or other related information, and considering the appropriateness of the three stages classification determined by the Group; • evaluating the Group's estimation methodology of expected credit losses, checking the parameters to external data sources where available, including default rates provided by credit rating agency, and assessing and testing the sensitivity of the impairment allowance to changes in modelling assumptions, including the forward-looking probability weighted economic scenarios; • for loan receivables and cash client receivables classified at stage 3, checking the valuation of the collateral and other sources of cash flows, and developed a reasonable range of expected cash shortfall for comparison with the Group's assessment of impairment allowance; • assessing the adequacy of the disclosures in relation to credit risk in the consolidated financial statements with reference to the prevailing accounting standards; and • assessing the assumptions and estimates made by management for the assessment of impairment allowances for loan receivables and cash client receivables by performing a retrospective review of the historical accuracy of these assumptions and estimates, including historical default data and estimated loss rates.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How our audit addressed the key audit matter
Impairment assessment on loan receivables and cash client receivables *(continued)*	
In assessing the lifetime expected credit losses on credit-impaired loan receivables and cash client receivables that are classified as stage 3, the Group performs an assessment based on the Group's historical credit loss experience, adjusted for factors specific to the borrowers, general economic conditions, the current conditions at the reporting date and forward-looking analysis. The Group also reviews the amount and timing of future cash flows, guarantees, value of the collateral received from the customers in measuring impairment. The methodology and assumptions used for estimating the impairment amount are reviewed regularly to reduce any differences between loss estimates and actual loss experience.	Based on the procedures described above, we considered the methodology used, key assumptions, judgements and estimates applied in the impairment assessment on loans receivables and cash client receivables were supportable by available evidence.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company 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 requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company 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.

Those charged with governance are responsible 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. This report is made 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism 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.

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

- 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 those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, 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.

The engagement director on the audit resulting in this independent auditor's report is Gao Yajun.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong,
Gao Yajun
Practising certificate number P06391

CONSOLIDATED INCOME STATEMENT

For the Year Ended 31 March 2024

	Note	Year ended 31 March 2024 HK$'000	2023 HK$'000
Revenue	6	**357,111**	456,565
Cost of sales		**(342,907)**	(450,657)
Gross profit		**14,204**	5,908
Selling expenses		**(1,347)**	(93)
General and administrative expenses		**(47,053)**	(44,358)
Reversal of expected credit loss/(expected credit loss) on financial assets, net	7	**53,962**	(59,730)
Other income and gains, net	8	**2,542**	366
Gain on disposal of property, plant and equipment		**500**	302
Impairment of goodwill	15	**–**	(3,391)
Operating profit/(loss)		**22,808**	(100,996)
Finance costs	9	**(11,666)**	(8,663)
Profit/(loss) before income tax	10	**11,142**	(109,659)
Income tax expense	11	**(115)**	(20,315)
Profit/(loss) for the year		**11,027**	(129,974)
Profit/(loss) attributable to:			
Owners of the Company		**14,759**	(127,605)
Non-controlling interests		**(3,732)**	(2,369)
		11,027	(129,974)
Earnings/(loss) per share attributable to owners of the Company	12		
Basic		**HK2.30 cent**	HK(26.55) cent
Diluted		**HK2.30 cent**	HK(26.55) cent

The notes on pages 100 to 222 are integral parts of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 March 2024

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Profit/(loss) for the year	**11,027**	(129,974)
Other comprehensive (expense)/income		
Item that may be subsequently reclassified to profit or loss:		
Currency translation differences	**(95)**	(365)
Item that will not be reclassified to profit or loss:		
Fair value gain on equity securities designated at fair value through other comprehensive income, net of nil tax	**34**	–
Other comprehensive expense for the year, net of nil tax	**(61)**	(365)
Total comprehensive income/(expense) for the year	**10,966**	(130,339)
Total comprehensive income/(expense) attributable to:		
Owners of the Company	**14,689**	(127,970)
Non-controlling interests	**(3,723)**	(2,369)
	10,966	(130,339)

The notes on pages 100 to 222 are integral parts of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Note	As at 31 March **2024** HK$'000	2023 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	13	**198,311**	208,524
Right-of-use assets	14	**8,999**	11,120
Intangible assets	15	**11,250**	12,090
Other financial assets	22	**4,354**	–
Deposits, prepayments and other receivables	21	**3,156**	1,495
Deferred tax assets	29	**17,249**	17,152
		243,319	250,381
Current assets			
Inventories	18	**8,261**	27,672
Loan receivables	19	**14,940**	20,362
Account receivables	20	**115,441**	58,943
Deposits, prepayments and other receivables	21	**5,973**	45,828
Other financial assets	22	**192**	372
Income tax recoverable		**1,016**	1,056
Bank balances held on behalf of clients	23	**6,305**	2,314
Pledged bank deposits		**14,982**	–
Cash and cash equivalents	24	**67,730**	30,959
		234,840	187,506
Total assets		**478,159**	437,887
EQUITY			
Share capital	25	**7,892**	4,385
Other reserves	27	**644,373**	559,600
Accumulated losses		**(369,291)**	(384,050)
Total equity attributable to owners of the Company		**282,974**	179,935
Non-controlling interests		**(3,735)**	6,347
Total equity		**279,239**	186,282

The notes on pages 100 to 222 are integral parts of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 March 2024

	Note	As at 31 March 2024 HK$'000	2023 HK$'000
LIABILITIES			
Non-current liability			
Lease liabilities	14	**5,826**	7,943
Deferred tax liabilities	29	**815**	908
		6,641	8,851
Current liabilities			
Account payables	30	**60,392**	56,648
Other payables and accrued expenses	30	**5,057**	9,412
Lease liabilities	14	**3,890**	3,577
Borrowings	31	**122,940**	173,052
Income tax payables		**–**	65
		192,279	242,754
Total liabilities		**198,920**	251,605
Total equity and liabilities		**478,159**	437,887
Net current assets/(liabilities)		**42,561**	(55,248)
Total assets less current liabilities		**285,880**	195,133

These consolidated financial statements on pages 92 to 222 were approved for issue by the Board of Directors on 24 June 2024 and were signed on its behalf by:

Chan Wing Sum
Director

Qu Hongqing
Director

The notes on pages 100 to 222 are integral parts of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 March 2024

	Attributable to owners of the Company												
		Other reserves											
	Share capital	Share premium	Shares held for share award scheme	Merger reserve	Capital reserve	Statutory reserve	Exchange reserve	Fair value reserve	Sub total	Accumulated losses	Total	Non-controlling interests	Total equity
			Note 26	Note 27(a)	Note 27(b)	Note 27(c)							
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31 March 2024													
Balance at 1 April 2023	4,385	523,192	(21,630)	50,374	2,810	1,042	3,812	–	559,600	(384,050)	179,935	6,347	186,282
Profit for the year	–	–	–	–	–	–	–	–	–	14,759	14,759	(3,732)	11,027
Other comprehensive (expense)/ income													
Currency translation differences	–	–	–	–	–	–	(104)	–	(104)	–	(104)	9	(95)
Net change in fair value of equity securities designated at fair value through other comprehensive income	–	–	–	–	–	–	–	34	34	–	34	–	34
Total comprehensive (expense)/income for the year	–	–	–	–	–	–	(104)	34	(70)	14,759	14,689	(3,723)	10,966
Transactions with owners:													
Issuance of shares upon placement (Note 25)	877	24,639	–	–	–	–	–	–	24,639	–	25,516	–	25,516
Issuance of shares upon rights issue (Note 25)	2,630	54,194	–	–	–	–	–	–	54,194	–	56,824	–	56,824
Transaction costs attributable to shares issued upon rights issue	–	(1,405)	–	–	–	–	–	–	(1,405)	–	(1,405)	–	(1,405)
Deemed partial disposal of subsidiaries without loss of control	–	–	–	–	7,339	–	–	–	7,339	–	7,339	(6,957)	382
Contribution from non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	598	598
Others	–	–	76	–	–	–	–	–	76	–	76	–	76
Total transaction with owners	3,507	77,428	76	–	7,339	–	–	–	84,843	–	88,350	(6,359)	81,991
Balance at 31 March 2024	7,892	600,620	(21,554)	50,374	10,149	1,042	3,708	34	644,373	(369,291)	282,974	(3,735)	279,239

The notes on pages 100 to 222 are integral parts of these consolidated financial statements.

	Attributable to owners of the Company											
		Other reserves										
	Share capital	Share premium	Shares held for share award scheme Note 26	Merger reserve Note 27(a)	Capital reserve Note 27(b)	Statutory reserve Note 27(c)	Exchange reserve	Sub total	Accumulated losses	Total	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31 March 2023												
Balance at 1 April 2022	3,654	502,332	(21,630)	50,374	2,480	1,042	4,177	538,775	(256,445)	285,984	8,716	294,700
Loss for the year	–	–	–	–	–	–	–	–	(127,605)	(127,605)	(2,369)	(129,974)
Other comprehensive expense												
Currency translation differences	–	–	–	–	–	–	(365)	(365)	–	(365)	–	(365)
Total comprehensive expense for the year	–	–	–	–	–	–	(365)	(365)	(127,605)	(127,970)	(2,369)	(130,339)
Transactions with owners:												
Issuance of shares upon placement (Note 25)	731	20,860	–	–	–	–	–	20,860	–	21,591	–	21,591
Others	–	–	–	–	330	–	–	330	–	330	–	330
Total transaction with owners	731	20,860	–	–	330	–	–	21,190	–	21,921	–	21,921
Balance at 31 March 2023	4,385	523,192	(21,630)	50,374	2,810	1,042	3,812	559,600	(384,050)	179,935	6,347	186,282

The notes on pages 100 to 222 are integral parts of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 March 2024

	Note	Year ended 31 March 2024 HK$'000	2023 HK$'000
Cash flows from operating activities			
Cash generated from/(used in) operations	34(a)	**39,362**	(1,216)
Income tax paid		**(916)**	(1,765)
Income tax refunded		**586**	2,196
Net cash flows generated from/(used in) operating activities		**39,032**	(785)
Cash flows from investing activities			
Interest received		**410**	33
Purchase of property, plant and equipment	13	**(864)**	(3,789)
Proceeds from disposal of property, plant and equipment	34(b)	**500**	665
Acquisition of financial assets at fair value through other comprehensive income		**(4,320)**	–
Payment for acquisition of subsidiaries, net of cash and cash equivalents acquired	36	**–**	(7,692)
Proceeds from disposal of financial assets at fair value through profit or loss		**–**	340
Placement of pledged bank deposits		**(14,982)**	–
Net cash flows used in investing activities		**(19,256)**	(10,443)

The notes on pages 100 to 222 are integral parts of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

For the Year Ended 31 March 2024

	Note	2024 HK$'000	2023 HK$'000
		Year ended 31 March	
Cash flows from financing activities			
Interest paid	34(c)	**(11,902)**	(8,440)
Drawdown of borrowings	34(c)	**125,885**	164,742
Repayments of borrowings	34(c)	**(175,477)**	(181,545)
Repayment of principal portion of lease liabilities	34(c)	**(3,669)**	(498)
Repayment of interest portion of lease liabilities	34(c)	**(284)**	(557)
Proceeds from share issued upon placement, net of issue costs	25	**25,516**	21,921
Proceeds from issue of shares upon rights issue, net of issue costs	25	**55,495**	–
Deemed partial disposal of interests in subsidiaries without loss of control	37	**382**	–
Contributions from non-controlling shareholders of subsidiaries		**598**	–
Net cash flows generated from/(used in) financing activities		**16,544**	(4,377)
Net increase/(decrease) in cash and cash equivalents		**36,320**	(15,605)
Cash and cash equivalents at beginning of year		**30,959**	46,660
Effect of foreign exchange rate changes, net		**451**	(96)
Cash and cash equivalents at end of year	24	**67,730**	30,959

The notes on pages 100 to 222 are integral parts of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 23 February 2011 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business is 33/F, Enterprise Square Three, 39 Wang Chiu Road, Kowloon Bay, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively "the Group") are principally engaged in (i) computer and electronic products trading business (including computer and peripheral products and electronics products business), (ii) food trading business and (iii) financial services business (including securities brokerage business, advisory services business and money lending business).

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

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 thousands, unless otherwise stated.

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN OTHER ACCOUNTING POLICIES

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

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the Group's annual period beginning on 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

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

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN OTHER ACCOUNTING POLICIES *(Continued)*

2.1 New and amendments to HKFRSs that are mandatorily effective for the current year *(Continued)*

Amendments to HKAS 8 – Definition of Accounting Estimates

The amendments provide further guidance on the distinction between changes in accounting policies and changes in accounting estimates. The amendments do not have a material impact on these financial statements as the Group's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies

The amendments require entities to disclose material accounting policy information and provide guidance on applying the concept of materiality to accounting policy disclosure. The Group has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

Amendments to HKAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exemption such that it does not apply to transactions that give rise to equal and offsetting temporary differences on initial recognition such as leases and decommissioning liabilities. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities are required to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments are applied to those transactions that occur after the beginning of the earliest period presented. Prior to the amendments, the Group did not apply the initial recognition exemption to lease transactions and had recognised the related deferred tax, except that the Group previously determined the temporary difference arising from a right-of-use asset and the related lease liability on a net basis on the basis they arise from a single transaction. Following the amendments, the Group has determined the temporary differences in relation to right-of-use assets and lease liabilities separately. The change primarily impacts disclosures of components of deferred tax assets and liabilities in note 29, but does not impact the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualify for offsetting under HKAS 12.

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN OTHER ACCOUNTING POLICIES *(Continued)*

2.2 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") gazetted 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. The abolition of the offsetting mechanism did not have a material impact on the Group's results and financial position.

2.3 New and amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non–current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[2]
Amendments to HKAS 21	Lack of Exchangeability[3]

1 Effective for annual periods beginning on or after a date to be determined
2 Effective for annual periods beginning on or after 1 January 2024
3 Effective for annual periods beginning on or after 1 January 2025

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN OTHER ACCOUNTING POLICIES *(Continued)*

2.3 New and amendments to HKFRSs in issue but not yet effective *(Continued)*

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

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments")

The 2020 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 Financial Instruments: Presentation.

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the requirements introduced by the 2020 Amendments have been modified by the 2022 Amendments. The 2022 Amendments specify that only covenants with which an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

In addition, the 2022 Amendments specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if an entity classifies liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

2 APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN OTHER ACCOUNTING POLICIES *(Continued)*

2.3 New and amendments to HKFRSs in issue but not yet effective *(Continued)*

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) (the "2020 Amendments") and Amendments to HKAS 1 Non-current Liabilities with Covenants (the "2022 Amendments") (Continued)

The 2022 Amendments also defer the effective date of applying the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The 2022 Amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 Amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

Based on the Group's outstanding liabilities as at 31 March 2024, the application of the 2020 and 2022 Amendments will not result in reclassification of the Group's liabilities.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with HKFRSs issued by 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 on The Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.1 Basis of preparation *(Continued)*

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 these 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 ("HKFRS 16"), 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 ("HKAS 36").

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.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and 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.

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

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.

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

All intra-group assets, 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.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Basis of consolidation *(Continued)*

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of subsidiaries, the assets and liabilities of subsidiaries and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of subsidiaries attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to subsidiaries are accounted for as if the Group had directly disposed of the related assets or liabilities of subsidiaries (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the subsidiaries at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 Financial Instruments ("HKFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.3 Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "Conceptual Framework") except for transactions and events within the scope of HKAS 37 or HK(IFRIC)-Int 21, in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 Share-based Payment at the acquisition date;

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.3 Business combinations *(Continued)*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after reassessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.3 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

The Group's policy for goodwill arising on the acquisition of an associate is described in Note 3.5 below.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.5 Investments in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The results and assets and liabilities of an associate are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.5 Investments in an associate *(Continued)*

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal or partial disposal of the relevant associates.

Where a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised only to the extent of interests in the associate that are not related to the Group.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.6 Revenue recognition

Revenue from contracts with customers

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 and 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.

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 the same contract are accounted for and presented on a net basis.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.6 Revenue recognition *(Continued)*

Variable consideration

For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For advance payments received from customers before the transfer of the associated goods or services in which the Group adjusts for the promised amount of consideration for a significant financing component, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The relevant interest expenses during the period between the advance payments were received and the transfer of the associated goods and services are accounted for on the same basis as other borrowing costs.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.6 Revenue recognition *(Continued)*

Existence of significant financing component (Continued)

For contracts where the Group transferred the associated goods or services before payments from customers in which the Group adjusts for the promised amount of consideration for significant financing components, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The Group recognises interest income during the period between the payment from customers and the transfer of the associated goods or services.

(a) Sales of goods

Revenue from the sale of goods is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(b) Provision of underwriting and placing services

The performance obligation is satisfied at a point in time when the customer has received the service from the Group. Commission income from underwriting and placing is recognised when the underlying securities are being written or placed.

(c) Provision of securities brokerage services

The performance obligation is satisfied at a point in time when the customer has received the service from the Group. Commission income on securities dealing and broking is generally due within two days after trade date.

Revenue from other sources

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.7 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 on or after the date of initial application HKFRS 16 or arising from business combinations, 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

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.

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 adjustment 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 estimated useful lifes are as follows:

Leasehold properties	50 years

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

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.7 Leases *(Continued)*

The Group as a lessee (Continued)

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.

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 Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Lease modifications

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 receivable, 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.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.7 Leases *(Continued)*

The Group as a lessee (Continued)

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

– the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

– any reduction in lease payments affects only payments originally due on or before 30 June 2023; and

– there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.8 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on the settlement of monetary items, and on the retranslation of monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.10 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under "other income".

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3.11 Retirement benefits costs and short-term employee benefits

(a) Pension obligations

The Group participates in general defined contribution pension schemes. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.11 Retirement benefits costs and short-term employee benefits *(Continued)*

(a) Pension obligations (Continued)

In accordance with the rules and regulations in the People's Republic of China (the "PRC"), the Group's employees based in the PRC participate in various defined contribution retirement benefit, housing fund, medical insurance and unemployment fund plans organised by the relevant municipal and provincial governments in the PRC under which the relevant subsidiaries and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised in profit or loss as employee benefit expenses when they are incurred.

(b) Bonus plans

The expected cost of bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.12 Share-based payments

(a) Equity-settled share-based payment transactions

The Group operates a share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments (options or awarded shares) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options and awarded shares granted:

- including any market performance conditions (for example, company's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining as an employee of the Group over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of options or awarded shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options or awarded shares that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.12 Share-based payments *(Continued)*

(a) Equity-settled share-based payment transactions (Continued)

After vesting, when the share options are forfeited before expiry or expired, the amount previously recognised in employee share-based compensation reserve will be transferred to "accumulated losses"/"retained earnings".

For the share award scheme, the Group may purchase its own shares through the trustee of the share award scheme from the open market for the shares to be vested under the share award scheme. The shares purchased by the Group that are not yet vested for this share award scheme were accounted for as treasury shares and recognised in "Shares held for share award scheme" as a deduction of equity. Upon vesting of the awarded shares, the related costs of the purchased shares are reduced from the "Shares held for share award scheme", and the related fair value of the awarded shares are debited to employee share-based compensation reserve with the difference charged/credited to equity.

(b) Share-based payment transactions among group entities

The grant of options by the Company over its equity instruments to the employees of subsidiaries undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiaries undertakings, with a corresponding increase in equity in the Company's financial statements.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings/loss per share.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.13 Taxation

Income tax expenses represents the sum of current and deferred income tax expenses

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/loss before taxation because 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 is recognised on 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 assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the 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.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.13 Taxation *(Continued)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (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 leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to lease liabilities, and the related assets separately.

The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable will be available against which the deductible temporary difference can be utilized and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

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 to equity, in which case, the current tax 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.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.14 Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for a prospective basis.

The estimated useful lives by class of assets are as follows:

Leasehold properties	50 years or over the lease terms, whichever is a shorter period
Leasehold improvements	5 to 10 years or over the remaining lease terms, whichever is a shorter period
Machineries	3 to 10 years
Office equipment	5 years
Furniture and fixtures	5 years
Motor vehicles	5 years

An item of property, plant and equipment 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 arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.15 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

- Money lending license

  The Group's money lending license has a finite useful life and is carried at cost less accumulated amortisation and accumulated impairment. Amortisation is calculated using the straight-line method to allocate the cost of the license over its estimated useful life of not more than 5 years.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

- Customer relationships

  Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the customer relationship of 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.16 Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made on the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.19 Financial assets

3.19.1 Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out in Note 3.6.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.19 Financial assets *(Continued)*

3.19.1 Initial recognition and measurement (Continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

3.19.2 Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated income statement when the asset is derecognised, modified or impaired.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.19 Financial assets *(Continued)*

3.19.2 Subsequent measurement (Continued)

Financial assets designated at fair value through other comprehensive income (equity securities)

Upon initial recognition, the Group can elect to classify irrevocably its equity securities as equity securities designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity securities designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated income statement.

This category includes derivative instruments and equity securities which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity securities are also recognised as other income in the consolidated income statement when the right of payment has been established.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.19 Financial assets *(Continued)*

3.19.2 Subsequent measurement (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

– the rights to receive cash flows from the asset have expired; or

– the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.19 Financial assets *(Continued)*

3.19.3 *Impairment of financial assets*

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets 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 date. Assessments 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 date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. 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 which 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.

(i) 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.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.19 Financial assets *(Continued)*

3.19.3 Impairment of financial assets (Continued)

(i) Significant increase in credit risk *(Continued)*

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;
- 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, except for cash client receivables, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

For cash client receivables, the Group considers there has been a significant increase in credit risk when clients cannot meet the loan call requirement and uses the loan-to-collateral value ("LTV") to make its assessment.

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.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.19 Financial assets *(Continued)*

3.19.3 Impairment of financial assets (Continued)

(ii) 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).

The Group considers a cash client receivable is in default when LTV is larger than a defined benchmark. However, in certain cases, the Group may also consider a cash client receivable to be in default when there is a significant shortfall which indicates the Group is unlikely to receive the outstanding contractual amounts in full taking into account the pledged securities held by the Group. A cash client receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

(iii) 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.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.19 Financial assets *(Continued)*

3.19.3 Impairment of financial assets (Continued)

(iv) 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.

(v) 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 and 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.

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, discounted at the effective interest rate determined at initial recognition.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.19 Financial assets *(Continued)*

3.19.3 Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL *(Continued)*

General approach

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the impairment allowance is measured at an amount equal to 12-month ECLs

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the impairment allowance is measured at an amount equal to lifetime ECLs

Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the impairment allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.19 Financial assets *(Continued)*

3.19.4 Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3.20 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as payable or loans and borrowings as appropriate.

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

Subsequent measurement

All financial liabilities are classified as subsequently measured at amortised cost using the effective interest rate method.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.20 Financial liabilities *(Continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated income statement.

3.21 Offsetting financial instruments

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

3.22 Bank balances held on behalf of client

A subsidiary of the Company maintains trust and segregated accounts with authorised financial institutions to hold clients' deposits arising from normal business transactions. The subsidiary has classified the clients' monies as client trust bank balances under the current assets in the consolidated statement of financial position as the subsidiary is allowed to retain some or all of the interest income on the clients' monies and recognised corresponding account payables to the respective customers in the current liabilities clients on grounds that it is liable for any loss or misappropriation of clients' monies. Under the Hong Kong Securities and Futures Ordinance (Cap. 571), the subsidiary is not allowed to use the clients' monies to settle its own obligation.

3.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Shares held for share award scheme are disclosed as treasury shares and deducted from contributed equity.

3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.24 Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

(b) the party is an entity where any of the following conditions applies:

(i) The entity and the Group are members of the same group.

(ii) One entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity).

(iii) Both parties are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, 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 on-going 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.

Key sources of estimation uncertainty

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

(a) Provision for ECL allowance on trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually.

In addition, the Group uses practical expedient in estimating ECL on trade receivables which are not assessed individually using a provision matrix. The provision matrix are based on aging as groupings of various customer that have similar loss patterns.

The provision rates are based on the Group's historical observed default rates and forward-looking information that is reasonable and supportable available without undue costs or effort. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults, the provision rates are adjusted. At each reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables is disclosed in Note 20.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(b) Provision for ECL allowance on other financial assets measured at amortised cost

The Group calculate ECL allowance for other financial assets measured at amortised cost, including loan receivables, cash clients receivables and interest receivables, based on the estimated probability of default of counterparties with similar credit ratings, with adjustment to reflect the current conditions and forecasts of future economic conditions, as appropriate. At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition or considers a financial asset in default. Further details are set out in Note 3.19.3.

The information about the ECLs on the Group's other financial assets measured at amortised cost is disclosed in Notes 19, 20 and 21.

(c) Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and an appropriate discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 March 2024, the carrying amount of goodwill is HK$8,035,000 (2023: HK$8,035,000). Details of the recoverable amount calculation are disclosed in Note 15.

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

The Group's management determines the estimated useful lives, and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. Management will increase the depreciation and amortisation charges where useful lives are shorter than previously estimated lives. It will write off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable and amortisable lives and therefore affect the depreciation and amortisation charges in future periods.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

(e) Deferred income tax

As at 31 March 2024, a deferred tax asset of HK$17,550,000 (2023: HK$17,550,000) in relation to unused tax losses for certain operating subsidiaries has been recognised in the consolidated statement of financial position. No deferred tax asset has been recognised on the tax losses of HK$365,382,000 (2023: HK$372,087,000) for other subsidiaries due to the unpredictability of future profit streams.

The realisability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future, which is a key source of estimation uncertainty. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal or further recognition of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal or further recognition takes place.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group has not used any derivative financial instruments to hedge its risk exposures.

(a) Market risk

(i) Foreign exchange risk

The Group operates in Hong Kong and Mainland China and most of their transactions are denominated in Hong Kong dollar ("HK$"), Renminbi ("RMB") and United States dollar ("US$"). The Group is exposed to foreign exchange risk primarily through expense transactions that are denominated in currencies other than the functional currencies of the group companies. The Group manages its exposures to foreign currency transactions by monitoring the level of foreign currency receipts and payments. The Group ensures that the net exposure to foreign exchange risk is kept to an acceptable level from time to time. The Group has not used any forward exchange contract to hedge against foreign exchange risk as management considers its exposure as not significant.

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.1 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(i) Foreign exchange risk *(Continued)*

As at 31 March 2024, if Hong Kong dollar had weakened/strengthened by 5% (2023: 5%) against RMB with all other variables held constant, pre-tax profit (2023: pre-tax loss) for the year would have been HK$51,000 lower/higher (2023: HK$55,000 higher/lower), primarily due to exchange gain/loss arising from revaluation of net RMB denominated monetary assets.

As the HK$ is pegged to the US$, the Group does not expect any significant movements in the US$/HK$ exchange rate.

(ii) Price risk

The Group is exposed to equity securities price risk from equity securities held by the Group which is classified in the consolidated statement of finance position as other financial assets. Price risk is the risk of changes in fair value of financial instruments from fluctuations, whether such a change in price is caused by factors specific to the individual instrument or factors affecting all instruments traded in the markets. The Group mitigates its price risk by performing detailed due diligence analysis of investments and dedicated professionals are assigned to oversee and monitor the performance of investments.

As at 31 March 2024, if the equity price of the equity securities had been 5% higher/lower, with all other variables held constant, the Group's profit after tax (2023:loss after tax) for the year ended 31 March 2024 would have increased/decreased (2023: decreased/increased) approximately by HK$8,000 (2023: HK$16,000) and other comprehensive expense for the year ended 31 March 2024 would have decrease/increased approximately by HK$182,000 (2023: HK$nil).

(iii) Cash flow interest rate risk

The Group's interest rate risk arises mainly from borrowings. Borrowings carried at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash at banks held at variable rates.

The Group currently does not use any interest rate swap contracts or other financial instruments to hedge against its interest rate risk exposure. Management monitors interest rate fluctuations to ensure that exposure to interest rate risk is within an acceptable level.

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.1 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(iii) Cash flow interest rate risk *(Continued)*

Based on the sensitivity analysis performed by management, if interest rates had been 100 (2023: 100) basis points higher/lower on the Group's borrowings with all other variable held constant, pre-tax profit (2023: pre-tax loss) for the year would have been HK$1,201,000 lower/higher (2023: HK$1,557,000 higher/lower).

(b) Credit risk

Credit risk is the risk that the Group will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Group manages and controls credit risk at group level and has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions.

(i) Cash and cash equivalents, pledged bank deposits and bank balances

The credit risk on liquid funds, including cash and cash equivalents, pledged bank deposits and bank balances held on behalf of clients, is limited because cash at banks are placed with reputable financial institutions in Hong Kong and the PRC which management believes are of sound credit quality and without major credit risk.

(ii) Deposits and other receivables

For deposits and other receivables (excluding interest receivables), the directors of the Company make periodic individual assessment on the recoverability of deposits and other receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL. For the years ended 31 March 2024 and 2023, the Group assessed the ECL for deposits and other receivables were insignificant and thus no loss allowance was recognised.

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

(iii) Trade receivables

The Group has concentrations of credit risk from account receivables from its customers of the trading business. The Group manages and analyses the credit risk for each of their new and existing customers before standard payment terms and conditions are offered. If there is no independent rating, the Group assesses the credit quality of the customers based on their financial positions, past experience and other factors. The group's top five account receivables of the trading business accounted for approximately 94% (2023: 95%) of the Group's total gross account receivables of the trading business at 31 March 2024. The Group maintains frequent communications with these customers to ensure relevant transactions are running effectively and smoothly and balances are reconciled. Settlements from these customers are closely monitored on an ongoing basis by management of the Group to ensure any overdue debts are identified. Follow-up action is taken to recover the overdue debts.

(iv) Loan receivables/Interest receivables

For the Group's money lending business, the Group manages and analyses the credit risk by making reference to the financial strength, purpose of borrowing, and repayment ability of each of the borrower before incepting business with them. The Group also reviews the latest financial capabilities of the borrowers in determining whether there is credit risk on the loan receivables at any point in time.

The Group considers the loan and respective interest receivables as loss if the repayment of principal and/or interest has been overdue for a pro-longed period and the collection of principal and interest in full is considered improbable after exhausting all collection efforts such as initiation of legal proceedings. The Group has concentrations of credit risk from loan receivables from its customers of the money lending business. The top five loan receivables accounted for approximately 100% (2023: 97%) of the gross loan receivables balances as at 31 March 2024.

(v) Cash client receivables

The Group has concentrations of credit risk from account receivables from its customers of the securities business. The Group's five largest customers (excluding clearing house) of the securities business in aggregate accounted for 90% (2023: 90%) of the Group's total gross account receivables (excluding those are from clearing house) of the securities business at 31 March 2024. The Group maintains frequent communications with these customers and reviews the recoverable amount for each individual account receivable of the securities business at each reporting date to ensure that adequate allowance for impairment is made for irrecoverable amounts.

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.1 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

Maximum exposure as at 31 March 2024

The tables below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March 2024 and 2023. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	HK$'000
Loan receivables					
– Past due over 90 days	–	–	63,112	–	63,112
Trade receivables included in account receivables	–	–	87,820	104,308	192,128
Cash client receivables included in account receivables					
– LTV at 100% or above	–	1,487	239,222	–	240,709
Financial assets included in deposits, prepayments and other receivables					
– Not yet past due	7,553	–	–	–	7,553
– Past due over 90 days	–	–	5,187	–	5,187
Bank balances held on behalf clients					
– Not yet past due	6,305	–	–	–	6,305
Pledged bank deposits					
– Not yet past due	14,982	–	–	–	14,982
Cash and cash equivalents					
– Not yet past due	67,730	–	–	–	67,730
	96,570	1,487	395,341	104,308	597,706

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.1 Financial risk factors *(Continued)*

(b) *Credit risk (Continued)*

Maximum exposure as at 31 March 2023

	12-month ECLs	Lifetime ECLs			
	Stage 1	Stage 2	Stage 3	Simplified approach	
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Loan receivables					
– Less than 31 days past due	–	–	–	–	–
– 31 to 90 days past due	–	–	–	–	–
– Past due over 90 days	–	–	151,057	–	151,057
Trade receivables included in account receivables	–	–	87,821	43,036	130,857
Cash client receivables included in account receivables					
– LTV at 100% or above	–	–	239,722	–	239,722
– LTV less than 100%	1,568	–	–	–	1,568
Financial assets included in deposits, prepayments and other receivables					
– Not yet past due	44,728	–	–	–	44,728
– Past due over 90 days	–	–	12,730	–	12,730
Bank balances held on behalf clients					
– Not yet past due	2,314	–	–	–	2,314
Cash and cash equivalents					
– Not yet past due	30,959	–	–	–	30,959
	79,569	–	491,330	43,036	613,935

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 20(b).

Further quantitative data in respect of the Group's exposure to credit risk arising from loan receivables, trade receivables, cash client receivables and interest receivables are disclosed in Notes 19, 20 and 21, respectively, to the consolidated financial statements.

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.1 Financial risk factors *(Continued)*

(c) Liquidity risk

With prudent liquidity risk management, the Group aims to maintain sufficient cash and cash equivalents and ensure the availability of funding through an adequate amount of available financing, including short-term borrowings.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

	Weighted average interest rate	On demand HK$'000	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
As at 31 March 2024							
Account and other payables		60,392	5,057	–	–	65,449	65,449
Lease liabilities	3.05%	–	4,115	3,058	2,950	10,123	9,716
Borrowings	7.34%	122,940	–	–	–	122,940	122,940
		183,332	9,172	3,058	2,950	198,512	198,105

	Weighted average interest rate	On demand HK$'000	Less than 1 year HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
As at 31 March 2023							
Account and other payables	–	56,648	9,412	–	–	66,060	66,060
Lease liabilities	2.63%	–	3,838	3,416	4,843	12,097	11,520
Borrowings	6.92%	173,052	–	–	–	173,052	173,052
		229,700	13,250	3,416	4,843	251,209	250,632

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.1 Financial risk factors *(Continued)*

(c) Liquidity risk (Continued)

Bank borrowings with a repayment on demand clause are included in the "on demand" time band in the above maturity analysis. As at 31 March 2024, the aggregate carrying amounts of these bank borrowings amounted to HK$122.9 million (2023:HK$173.1 million). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank borrowings will be repaid after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	Less than 1 year HK$'000	1-2 years HK$'000	2-5 years HK$'000	Beyond 5 years HK$'000	Total HK$'000	Carrying amount HK$'000
As at 31 March 2024	**110,455**	**14,434**	**3,373**	**240**	**128,502**	**122,940**
As at 31 March 2023	152,109	8,227	17,654	638	178,628	173,052

5.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital (the sum of total equity and net debt), as shown in the consolidated statement of financial position. Net debt is calculated as total borrowings less cash and cash equivalents and pledged bank deposits.

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.2 Capital risk management *(Continued)*

The Group's strategy was to maintain a solid capital base to support the operations and development of its business in the long term. The gearing ratios as at 31 March 2024 and 2023 were as follows:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Borrowings (Note 31)	**122,940**	173,052
Less: Cash and cash equivalents (Note 24) and pledged bank deposits	**(82,712)**	(30,959)
Net debt	**40,228**	142,093
Total equity	**279,239**	186,282
Total capital	**319,467**	328,375
Gearing ratio	**12.59%**	43.27%

5.3 Fair value and fair value hierarchy of financial instruments

(a) *Financial instruments measured at fair value*

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments measured at fair value:

	Fair value measurements using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**
31 March 2024				
Financial assets at fair value through profit or loss				
– Listed equity securities in Hong Kong	**192**	**–**	**–**	**192**
Equity securities designated at fair value through other comprehensive income				
– Unlisted equity securities	**–**	**–**	**4,354**	**4,354**

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.3 Fair value and fair value hierarchy of financial instruments *(Continued)*

(a) Financial instruments measured at fair value (Continued)

	Fair value measurements using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	HK$'000	HK$'000	HK$'000	HK$'000
31 March 2023				
Financial assets at fair value through profit or loss				
– Listed equity securities in Hong Kong	372	–	–	372

During the year, there were no transfer of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2023: nil)

Valuation techniques and inputs used in Level 3 fair value measurements:

	Valuation techniques	Significant unobservable inputs	Range
Equity securities designated at fair value through other comprehensive income: unlisted equity securities	Market approach	Price-to-Earnings (P/E) ratio	11.10

5 FINANCIAL RISK MANAGEMENT *(Continued)*

5.3 Fair value and fair value hierarchy of financial instruments *(Continued)*

(a) Financial instruments measured at fair value (Continued)

An increase in the P/E ratio used in isolation would result in a increase in the fair value measurement of the unlisted equity investments, and vice versa. A 5% increase/decrease in the P/E ratio holding all other variables constant would increase/decrease the carrying amount of unlisted equity securities by HK$218,000 (2023: HK$nil).

There were no transfers amongst Level 1, Level 2 and Level 3 in the fair value hierarchy during both years.

Reconciliation of Level 3 fair value measurements:

	2024 **HK$'000**	2023 HK$'000
At 1 April	**–**	–
Additions	**4,320**	–
Fair value gain in other comprehensive expense	**34**	–
At 31 March	**4,354**	–

(b) Financial instruments not measured at fair value

The carrying amounts of the Group's other financial instruments including cash and cash equivalents, pledged bank deposits, bank balances held on behalf of clients, loan receivables, account receivables, financial assets included in deposits, prepayments and other receivables, account payables, borrowings and financial liabilities included in other payables and accrued expenses approximate their respective fair values.

6 REVENUE AND SEGMENT INFORMATION

Revenue

An analysis of revenue is as follows:

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Revenue from contracts with customers (Note i)	**355,854**	451,324
Revenue from other sources		
Interest income calculated using the effective interest method from:		
– loan receivables	**1,257**	4,779
– cash client receivables	**–**	462
	1,257	5,241
Total revenue	**357,111**	456,565

(i) *Disaggregated revenue information for revenue from contracts with customers*

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Type of goods or services		
Sales of goods	**355,841**	451,216
Commission income		
– Provision of securities brokerage services	**13**	108
	355,854	451,324
Timing of revenue recognition		
A point in time	**355,854**	451,324

All the sales of goods and commission income have an original expected duration of one year or less. As permitted under HKFRS 15, the transaction price allocated to the unsatisfied contracts is not disclosed.

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information

The chief operating decision-maker ("CODM") has been identified as the executive directors of the Company. The CODM reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segment based on these reports.

The CODM considers that the Group has three operating and reportable segments which are (i) computer and electronic products trading business (including computer and peripheral products and electronics products business), (ii) food trading business and (iii) financial services business (including securities brokerage business, advisory services business and money lending business).

The CODM assesses the performance of the operating segments based on segment profit/loss. Expenses, where appropriate, are allocated to operating segments with reference to revenue contributions of the respective segments. Unallocated income and expenses are not included in the result for each operating segment that is reviewed by the CODM.

Segment assets consist primarily of certain property, plant and equipment, right-of-use assets, intangible assets, inventories, account receivables, loan receivables, certain deposits, prepayments and other receivables, certain other financial assets, pledged bank deposit, certain cash and cash equivalents and bank balances held on behalf of clients. They exclude deferred tax assets, income tax recoverable and other unallocated assets, which are managed centrally.

Segment liabilities consist primarily of account payables, lease liabilities, certain borrowings, and certain other payables and accrued expenses. They exclude deferred tax liabilities, income tax payables and other unallocated liabilities, which are managed centrally.

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment revenues and results

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

	For the year ended 31 March 2024			
	Computer and electronic products trading business HK$'000	Food trading business HK$'000	Financial services business HK$'000	Total HK$'000
Revenue from external customers	248,840	107,001	1,270	357,111
Cost of sales from external customers	(255,446)	(87,461)	–	(342,907)
	(6,606)	19,540	1,270	14,204
Selling expenses	(1)	(1,346)	–	(1,347)
General and administrative expenses	(5,454)	(15,464)	(3,276)	(24,194)
(Expected credit loss)/reversal of expected credit loss on financial assets, net	(221)	40	54,143	53,962
Other (expenses)/income and (losses)/gains, net	(3,291)	570	(1)	(2,722)
Finance costs	(6,652)	(1,013)	(24)	(7,689)
Segment results	(22,225)	2,327	52,112	32,214
Unallocated income and expenses, net				(21,072)
Profit before income tax				11,142
Income tax expense				(115)
Profit for the year				11,027

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment revenues and results (Continued)

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

	For the year ended 31 March 2023			
	Computer and electronic products trading business	**Food trading business**	**Financial services business**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Revenue from external customers	426,324	24,892	5,349	456,565
Cost of sales from external customers	(430,661)	(19,996)	–	(450,657)
	(4,337)	4,896	5,349	5,908
Selling expenses	(25)	(9)	(59)	(93)
General and administrative expenses	(10,528)	(3,208)	(5,011)	(18,747)
Reversal of expected credit loss/(expected credit loss) on financial assets, net	–	19	(59,749)	(59,730)
Other income/(expenses) and gains/(losses), net	145	11	(55)	101
Gain on disposal of property, plant and equipment	1	–	–	1
Impairment of goodwill	–	–	(3,391)	(3,391)
Finance costs	(7,760)	(167)	–	(7,927)
Segment results	(22,504)	1,542	(62,916)	(83,878)
Unallocated income and expenses, net				(25,781)
Loss before income tax				(109,659)
Income tax expense				(20,315)
Loss for the year				(129,974)

Interest revenue of HK$1,257,000 (2023: HK$5,241,000) was included in revenue from external customers, wholly contributed by financial services business segment.

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment assets and liabilities

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

31 March 2024	Computer and electronic products trading business HK$'000	Food trading business HK$'000	Financial services business HK$'000	Total HK$'000
Segment assets	**140,229**	**60,948**	**45,299**	**246,476**
Segment liabilities	**51,390**	**21,934**	**9,114**	**82,438**

31 March 2023	Computer and electronic products trading business HK$'000	Food trading business HK$'000	Financial services business HK$'000	Total HK$'000
Segment assets	127,677	48,853	43,667	220,197
Segment liabilities	205,101	25,537	2,625	233,263

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Segment assets and liabilities (Continued)

The reconciliations of segment assets to total assets and segment liabilities to total liabilities are provided as follows:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Segment assets	**246,476**	220,197
Cash and cash equivalents	**13,815**	3,728
Property, plant and equipment	**192,767**	195,284
Deposits, prepayments and other receivables	**2,482**	470
Other financial assets at fair value through other comprehensive income	**4,354**	–
Deferred tax assets	**17,249**	17,152
Income tax recoverable	**1,016**	1,056
Total assets	**478,159**	437,887
Segment liabilities	**82,438**	233,263
Deferred tax liabilities	**815**	908
Income tax payables	**–**	65
Borrowings	**113,734**	10,000
Other payables and accrued expenses	**1,933**	7,369
Total liabilities	**198,920**	251,605

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Other segment information

	For the year ended 31 March 2024			
	Computer and electronic products trading business HK$'000	**Food trading business HK$'000**	**Financial services business HK$'000**	**Total HK$'000**
Additions to property, plant and equipment	**–**	**220**	**644**	**864**
Depreciation of property, plant and equipment	**–**	**1,388**	**29**	**1,417**
Depreciation of right-of use assets	**632**	**3,147**	**207**	**3,986**
Amortisation of intangible assets	**–**	**840**	**–**	**840**

	For the year ended 31 March 2023			
	Computer and electronic products trading business HK$'000	**Food trading business** HK$'000	**Financial services business** HK$'000	**Total** HK$'000
Additions to property, plant and equipment	13	3,776	–	3,789
Depreciation of property, plant and equipment	1,617	159	126	1,902
Depreciation of right-of use assets	527	524	–	1,051
Amortisation of intangible assets	–	139	–	139
Reversal of impairment of inventories	(1,562)	–	–	(1,562)

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment information *(Continued)*

Geographical information

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

Majority of the Group's revenue were derived from operations located in Hong Kong.

Information about the Group's total non-current assets (excluding financial instruments and deferred tax assets) is presented below based on the geographical location of the assets:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Hong Kong	**218,393**	231,528
The PRC	**167**	206
	218,560	231,734

Information about major customers

Revenue from the top five customers for all reportable segments is as follows:

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Revenue from top five customers	**249,462**	407,675
Total revenue	**357,111**	456,565
Percentage	**70%**	89%
Number of customers that individually accounted for more than 10% of the Group's revenue	**1**	2

		Year ended 31 March	
		2024	2023
Customer	**Segment**	**HK'000**	HK'000
Customer A	Computer and electronic products trading business	**155,151**	227,330
Customer B	Computer and electronic products trading business	**N/A[1]**	93,751

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

7 REVERSAL OF EXPECTED CREDIT LOSS/(EXPECTED CREDIT LOSS) ON FINANCIAL ASSETS, NET

Reversal of expected credit loss/(expected credit loss) on financial assets, net are as follows:

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Loan receivables (Note 19)	**58,154**	5,970
Cash client receivables (Note 20)	**(4,011)**	(60,407)
Trade receivables (Note 20)	**(181)**	19
Interest receivables (Note 21)	**–**	(5,312)
	53,962	(59,730)

8 OTHER INCOME AND GAINS, NET

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Finance income	**410**	33
Exchange gains	**535**	219
Realised losses on disposal of equity securities at fair value through profit or loss	**–**	(1,738)
Unrealised (losses)/gains on the change in fair value of equity securities at fair value through profit or loss	**(180)**	1,603
Others	**1,777**	249
	2,542	366

9 FINANCE COSTS

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Finance costs		
– Interest expense on bank and other borrowings	**11,382**	8,592
– Interest expense on lease liabilities	**284**	71
	11,666	8,663

10 PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax has been arrived at after charging:

(a) Employee benefit expenses (including directors' emoluments)

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Short term employee benefits	**17,609**	11,945
Post-employment benefits (Note i)	**544**	353
Others	**1,089**	638
	19,242	12,936

Notes:

(i) These mainly represent:

- the Group's contributions to the Mandatory Provident Funds (MPF) for employees working in Hong Kong. Under the MPF scheme, each of the group companies (the employer) and its employees make monthly contributions to the scheme at 5% of the employees' earnings with a maximum of HK$1,500 for employee's monthly contribution as defined under the Hong Kong Mandatory Provident Funds legislations. Contributions to the scheme vest immediately, there is no forfeited contribution that may be used by the Group to reduce the existing level of contribution.

- the Group's contributions to defined contribution pension plans in the PRC for employees working in the PRC. These pension plans are organised by the respective municipal and provincial government of the PRC. These PRC subsidiaries are required to contribute certain percentage of the employees' basic salaries to the pension plans depending on the applicable local regulations. Contributions to the plans vest immediately, there is no forfeited contribution that may be used by the Group to reduce the existing level of contribution.

The Group has no other material obligations for the payment of pensions and other post-retirement benefits of employees or retirees other than those disclosed above.

(ii) For the year ended 31 March 2023, Covid-19 related government grants under "Employment Support Scheme" of the Hong Kong government, amounting to approximately HK$509,000 have been offset against short term employee benefit expenses.

10 PROFIT/(LOSS) BEFORE INCOME TAX *(Continued)*

Profit/(loss) before income tax has been arrived at after charging: *(Continued)*

(b) Other items

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Cost of inventories sold (Note 18)	**342,907**	450,657
Auditor's remuneration		
– audit service	**880**	900
– non-audit service	**–**	750
Depreciation of property, plant and equipment (Note 13)	**11,066**	10,200
Depreciation of right-of-use assets (Note 14)	**3,986**	1,051
Amortisation of intangible assets (Note 15)	**840**	139
Impairment loss on property, plant and equipment (Note 13)	**–**	6,000
Short-term lease rentals of premises	**18**	8
Service fees for broker supplied systems	**–**	1,277

11 INCOME TAX EXPENSE

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Current income tax		
– Hong Kong Profits Tax	**305**	2
Over-provision in prior years	**–**	(585)
Deferred income tax (Note 29)	**(190)**	20,898
	115	20,315

Under the two-tiered Hong Kong Profits Tax rates regime, the first HK$2 million of assessable profits of the qualifying group entity are taxed at 8.25%, and assessable profits above HK$2 million are taxed at 16.5%. The assessable profits of group entities not qualifying for the two-tiered profits tax rates regime are charged at a flat rate of 16.5%.

11 INCOME TAX EXPENSE *(Continued)*

The Group has no assessable profit in PRC and is not subject to any PRC corporate income tax during the years ended 31 March 2024 and 2023. The applicable PRC corporate income tax rate during the years ended 31 March 2024 and 2023 is 25%.

The taxation on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits/(losses) of the consolidated entities in the respective jurisdictions as follows:

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Profit/(loss) before income tax	**11,142**	(109,659)
Tax calculated at domestic tax rates applicable to profit/(loss) in the respective jurisdictions	**1,829**	(18,137)
Tax effects of:		
– Expenses not deductible	**214**	1,995
– Income not subject to tax	**(66)**	(135)
– Temporary difference not recognised	**951**	4,343
– Income tax at concession rate	**(165)**	–
– Tax losses not recognised	**7,153**	12,530
– Reversal of Deferred tax assets recognised in prior years	**–**	20,304
– Utilisation of tax losses previously not recognised	**(9,801)**	–
– Over-provision in prior years	**–**	(585)
Tax expense	**115**	20,315

During the year ended 31 March 2023, the Group assessed and considered that it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions and entities where deferred tax assets have been recognised in prior years for their cumulative unused tax losses. Consequently, deferred tax assets of HK$20,304,000 has been reversed and charged to profit or loss in 2023.

12 EARNINGS/(LOSS) PER SHARE

(a) Basic

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company for share award scheme.

	Year ended 31 March	
	2024	2023
Profit/(loss) attributable to owners of the Company (HK$'000)	**14,759**	(127,605)
Weighted average number of ordinary shares in issue	**642,605,143**	480,568,216
Basic earnings/(loss) per share	**HK2.30 cent**	HK(26.55) cent

(b) Diluted

Diluted earnings/(loss) per share for the years ended 31 March 2024 and 2023 was the same as the basic earnings/(loss) per share as there were no dilutive potential ordinary shares in existence during the years ended 31 March 2024 and 2023.

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties HK$'000	Leasehold improvements HK$'000	Machinery HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Total HK$'000
31 March 2024							
Opening net book amount	195,022	11,699	472	332	493	506	208,524
Additions	–	833	31	–	–	–	864
Depreciation (Note 10(b))	(8,081)	(2,226)	(103)	(225)	(222)	(209)	(11,066)
Exchange realignment	–	(11)	–	–	–	–	(11)
Closing net book amount	186,941	10,295	400	107	271	297	198,311
At 31 March 2024							
Cost	241,378	17,365	511	1,560	1,589	1,331	263,734
Accumulated depreciation and impairment	(54,437)	(7,070)	(111)	(1,453)	(1,318)	(1,034)	(65,423)
Net book amount	186,941	10,295	400	107	271	297	198,311

	Leasehold properties HK$'000	Leasehold improvements HK$'000	Machinery HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Motor vehicles HK$'000	Total HK$'000
31 March 2023							
Opening net book amount	209,103	8,117	–	580	388	697	218,885
Additions	–	3,201	407	42	139	–	3,789
Acquisition of subsidiaries (Note 36)	–	1,668	73	24	209	489	2,463
Disposals	–	–	–	–	–	(363)	(363)
Depreciation (Note 10(b))	(8,081)	(1,268)	(8)	(314)	(243)	(286)	(10,200)
Impairment loss recognised (Note 10(b))	(6,000)	–	–	–	–	–	(6,000)
Exchange realignment	–	(19)	–	–	–	(31)	(50)
Closing net book amount	195,022	11,699	472	332	493	506	208,524
At 31 March 2023							
Cost	241,378	16,532	480	1,703	1,721	2,552	264,366
Accumulated depreciation and impairment	(46,356)	(4,833)	(8)	(1,371)	(1,228)	(2,046)	(55,842)
Net book amount	195,022	11,699	472	332	493	506	208,524

13 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Depreciation of the Group's property, plant and equipment of HK$11,066,000 (2023: HK$10,200,000) was included in general and administrative expenses in the consolidated income statement.

During the year ended 31 March 2023, the operations of the computer product trading business and financial services business were loss-making which indicates the Group's property, plant and equipment may not be recoverable. The Group has assessed the recoverable amount of the relevant property, plant and equipment. As a result, impairment losses of HK$6,000,000 were recognised and included in "general and administrative expenses" in the consolidated income statement to reduce the carrying amount of certain corporate assets to their recoverable amount of HK$193,984,000, being the fair value less cost of disposal of these assets. The fair value less cost of disposal of these assets were estimated using the income approach and such measurement is categorised within Level 3 of the fair value hierarchy. The key assumption involved in estimating the fair value less cost of disposal includes monthly rental rate per square foot of HK$24.9.

At 31 March 2024, the Group's leasehold properties with a net carrying amount of HK$186,941,000 (2023: HK$195,022,000) were pledged to secure general banking facilities granted to the Group (Note 31).

The Group holds several office units and parking spaces. The Group is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

14 RIGHT-OF-USE ASSETS

This note provides information for leases where the Group is a lease.

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2024 HK$'000	2023 HK$'000
Right-of-use assets		
Leasehold properties	**8,999**	11,120
Lease liabilities		
Current	**3,890**	3,577
Non-current	**5,826**	7,943
	9,716	11,520

Additions to the right-of-use assets during the year ended 31 March 2024 were HK$1,865,000 (2023:HK$12,171,000).

(ii) Amounts recognised in the consolidated income statement

The statement of profit or loss shows the following amounts relating to leases:

	Notes	2024 HK$'000	2023 HK$'000
Depreciation charge of right-of-use assets			
Leasehold properties		**3,986**	1,051
Interest expenses (included in finance cost)	9	**284**	71
Expense relating to short-term lease (included in administrative expenses)	10(b)	**18**	8

Total cash outflow for leases in 2024 was HK$3,971,000 (2023: HK$1,063,000).

15 INTANGIBLE ASSETS

	Note	As at 31 March 2024 HK$'000	2023 HK$'000
Goodwill	(a)	**8,035**	8,035
Other intangible assets	(b)	**3,215**	4,055
		11,250	12,090

(a) Goodwill

	HK$'000
At 1 April 2022	3,391
Acquisition of subsidiaries (Note 36)	8,035
Impairment	(3,391)
At 31 March 2023, 1 April 2023 and 31 March 2024	8,035

Impairment tests for goodwill

Goodwill acquired through business combinations is allocated to the following CGUs for impairment testing:

	As at 31 March 2024 HK$'000	2023 HK$'000
Securities brokerage cash-generating unit	**–**	–
Food trading cash-generating unit	**8,035**	8,035
	8,035	8,035

15 INTANGIBLE ASSETS *(Continued)*

(a) **Goodwill** *(Continued)*

Impairment tests for goodwill (Continued)

Securities brokerage cash-generating unit

The Group recognised goodwill of HK$52,013,000 during the year ended 31 March 2018 as a result of acquisition of the equity interest in Wanhai Securities (HK) Limited (“Wanhai Securities”). Wanhai Securities is principally engaged in the securities brokerage business in Hong Kong (the “Securities Brokerage CGU”).

With assistance from independent professional valuer, the Group assessed the recoverable amount of the Securities Brokerage CGU as at 31 March 2023 based on value-in-use calculation. The calculation used cash flow projections based on financial budgets approved by management covering a 5-year period. Thereafter, the cash flows were extrapolated using the terminal growth rate not exceeding the long-term average growth rate for the business in which the Securities Brokerage CGU operate.

The key assumptions used in value-in-use calculation were as follows:

Terminal growth rate	3.0%
Discount rate (pre-tax)	19.8%

Based on the assessment, as at 31 March 2023, the recoverable amount of the Securities Brokerage CGU, as included in the financial services business segment, was determined to be HK$320,000. The carrying amount of the Securities Brokerage CGU has been reduced to the recoverable amount accordingly and an impairment loss of HK$3,391,000 was recognised in the profit or loss for the year ended 31 March 2023. The impairment loss had all been allocated to goodwill which was fully impaired as a result and no other write-down of the assets of the Securities Brokerage CGU was considered necessary.

15 INTANGIBLE ASSETS *(Continued)*

(a) Goodwill *(Continued)*

Impairment tests for goodwill (Continued)

Food trading cash-generating unit

The Group recognised goodwill of HK$8,035,000 during the year ended 31 March 2023 as a result of acquisition of the equity interest in Shag Mei. Shag Mei is principally engaged in the food trading business in Hong Kong (the "Food Trading CGU").

The recoverable amount of the Food Trading CGU is determined based on value-in-use calculations. The calculations use cash flow projections based on financial budgets approved by management covering a 5-year period (2023: 5-year period). Thereafter, the cash flows are extrapolated using the terminal growth rate not exceeding the long-term average growth rate for the business in which the Food Trading CGU operate.

The key assumptions used in value-in-use calculation are as follows:

	As at 31 March	
	2024	2023
Terminal growth rate	**2.2%**	2.1%
Discount rate (pre-tax)	**21.7%**	18.4%

Management determined the budgeted revenue based on their expectations of market developments with the growth rates being estimated based on the industry forecasts and management's expectations. The terminal growth rate is based on the expected inflation rate. The discount rates reflect specific risks relating to the relevant operating segments. As at 31 March 2024, the estimated recoverable amounts of the Food Trading CGU exceeded its carrying value and the directors are of the opinion that there was no impairment of goodwill as at 31 March 2024.

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

15 INTANGIBLE ASSETS *(Continued)*

(b) Other intangible assets

	Money lending license HK$'000	Customer relationship HK$'000	Total HK$'000
31 March 2024			
Opening carrying amount	**–**	**4,055**	**4,055**
Amortisation (Note 10(b))	**–**	**(840)**	**(840)**
Closing carrying amount	**–**	**3,215**	**3,215**
At 31 March 2024			
Cost	**1,703**	**6,950**	**8,653**
Accumulated amortisation and impairment	**(1,703)**	**(3,735)**	**(5,438)**
Net carrying amount	**–**	**3,215**	**3,215**
31 March 2023			
Opening carrying amount	–	–	–
Acquisition of subsidiaries (Note 36)	–	4,194	4,194
Amortisation (Note 10(b))	–	(139)	(139)
Closing carrying amount	–	4,055	4,055
At 31 March 2023			
Cost	1,703	6,950	8,653
Accumulated amortisation and impairment	(1,703)	(2,895)	(4,598)
Net carrying amount	–	4,055	4,055

For the year ended 31 March 2024, amortisation charge of HK$840,000 (2023: HK$139,000) was included in general and administrative expenses in the consolidated income statement.

15 INTANGIBLE ASSETS *(Continued)*

(b) Other intangible assets *(Continued)*

Money lending license

In July 2016, the Group acquired a money lending license in Hong Kong through acquisition of a Hong Kong incorporated company. The money lending license has a legal life of one year but is renewable at insignificant cost. The directors of the Company are of the opinion that the Group could renew the money lending license and maintain the license continuously. At the end of the reporting period, the money lending license has been fully amortised.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The customer relations have finite useful lives and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method over the expected useful life of the customer relationship.

The useful life of customer relationships recognised during acquisition of Shag Mei International Food Limited ("Shag Mei") was five years. At the end of the reporting period, the remaining amortisation period of the customer relationship of Shag Mei is 46 (2023: 58) months.

16 PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries as at 31 March 2024 and 2023, are as follows:

Name	Legal status	Place of incorporation/ Principal place of business	Principal activities	Particulars of issued, registered/ paid up capital	Interest held 2024	Interest held 2023
Directly owned:						
Golden Profit Global Trading Limited	Limited liability company	British VirginIslands ("BVI")	Investment holding	US$10,000	100%	100%
Indirectly owned:						
Top Harvest Capital Limited	Limited liability company	BVI/Hong Kong	Property holding	US$100	100%	100%
Goldenmars Technology (Hong Kong) Limited	Limited liability company	Hong Kong	Assembling and trading of electronic components and products	HK$43,000,000	100%	100%
Goldenmars Components Company Limited	Limited liability company	Hong Kong	Assembling and trading of electronic components and products	US$1,000,000	51%	51%
Huabang Finance Limited	Limited liability company	Hong Kong	Money lending business	HK$10,000	100%	100%
Huabang Financial Investments Limited	Limited liability company	BVI/Hong Kong	Property holding	US$100	100%	100%
Huabang Corporate Finance Limited	Limited liability company	Hong Kong	Advisory services business	HK$15,000,000	100%	100%
Wanhai Securities (HK) Limited (Previously known as: Huabang Securities Limited)	Limited liability company	Hong Kong	Securities brokerage business	HK$97,500,000	100%	100%
Shag Mei International Food Limited	Limited liability company	Hong Kong	Food trading business	HK$10,000	100%	100%

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group.

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

16 PARTICULARS OF PRINCIPAL SUBSIDIARIES *(Continued)*

Goldenmars Components Company Limited

	2024	2023
	HK$'000	HK$'000
Non-controlling interest percentage	**49%**	49%
Current assets	**141,043**	109,638
Current liabilities	**(135,459)**	(96,685)
Equity attributable to owners of the Company	**2,848**	6,606
Non-controlling interests	**2,736**	6,347
Revenue	**225,848**	332,573
Expenses	**(233,217)**	(337,407)
Loss and total comprehensive expense for the year	**(7,369)**	(4,834)
Loss and total comprehensive expense attributable to owners of the Company	**(3,758)**	(2,465)
Loss and total comprehensive expense attributable to the non-controlling interests	**(3,611)**	(2,369)
Loss and total comprehensive expense for the year	**(7,369)**	(4,834)
Dividends paid to non-controlling interests	**–**	–
Net cash inflow from operating activities	**46,614**	6,604
Net cash inflow from investing activities	**–**	–
Net cash outflow from financing activities	**(18,701)**	(4,094)
Net cash inflow	**27,913**	2,510

17 INTEREST IN AN ASSOCIATE

	As at 31 March 2024 HK$'000	2023 HK$'000
Costs of investment in an associate	**9,921**	9,921
Share of post-acquisition loss and other comprehensive expense, net of dividends received	**(3,996)**	(3,996)
Impairment loss recognised	**(6,258)**	(6,258)
Exchange adjustments	**333**	333
	–	–
Share of loss of an associate during the year	**–**	–

The Group has not recognised a share of result of the associate for the year as it has been limited to HK$nil because the accumulated share of losses and impairment loss recognised are greater than the interest in this associate. The unrecognised share of losses for the year and accumulated share of losses up to and as at 31 March 2024 is approximately HK$nil and HK$4,036,000 respectively (2023: share of losses and accumulated losses of HK$nil and HK$4,036,000 respectively).

Particulars of the Group's associate are as follows:

Name	Particulars of issued, registered/paid up capital	Place of incorporation and principal place of business	Percentage of Ownership interest 2024	Ownership interest 2023	Voting power 2024	Voting power 2023	Profit sharing 2024	Profit sharing 2023	Principal activities
Hangzhou Shierzhangwen Wenhua Chuanbo Company Limited ("Shierzhangwen") 杭州十二章紋文化傳播有限公司	RMB11,641,384	PRC	40%	40%	40%	40%	40%	40%	Publication of comic books

18 INVENTORIES

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Finished goods	**10,072**	29,483
Less: provision for impairment of inventories	**(1,811)**	(1,811)
	8,261	27,672

The cost of inventories recognised as expenses and included in cost of sales amounted to HK$342,907,000 (2023: HK$450,657,000), which includes a reversal of impairment of inventories of HK$nil (2023: HK$1,562,000).

Movements in provision for impairment of inventories are as follows:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Beginning of the year	**1,811**	3,373
Reversal of impairment of inventories	**–**	(1,562)
End of the year	**1,811**	1,811

19 LOAN RECEIVABLES

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Loan receivables	**63,112**	151,057
Less: Impairment		
– Stage 1	**–**	–
– Stage 2	**–**	–
– Stage 3	**(48,172)**	(130,695)
	14,940	20,362

The Group's loan receivables, which arise from its money lending business in Hong Kong, are denominated in HK$, unsecured, bearing fixed interest rate from 8% to 15% (2023: 8% to 18%), and recoverable within one year from the dates of inception of the loan agreements.

A maturity profile of the loan receivables as at the end of the reporting periods, based on the maturity date and net of impairment allowance, is as follows:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Within one year or recoverable on demand	**14,940**	20,362

An aging analysis of the loan receivables as at the end of the reporting period, based on the due date and net of impairment allowance, is as follows:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Not past due	**–**	–
Less than 31 days past due	**–**	–
31 to 90 days past due	**–**	–
Past due over 90 days	**14,940**	20,362
	14,940	20,362

19 LOAN RECEIVABLES *(Continued)*

The following is the analysis of the gross carrying amount of the loan receivables as at 31 March 2024 and 2023 by the past due date and year end classification:

As at 31 March 2024

	Stage 1 HK$'000	**Stage 2 HK$'000**	**Stage 3 HK$'000**	**Total HK$'000**
Past due over 90 days	**–**	**–**	**63,112**	**63,112**
	–	**–**	**63,112**	**63,112**

As at 31 March 2023

	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
Past due over 90 days	–	–	151,057	151,057
	–	–	151,057	151,057

19 LOAN RECEIVABLES *(Continued)*

The movements in the impairment allowance of loan receivables were as follows:

	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
As at 1 April 2023	–	–	130,695	130,695
Changes due to financial instruments recognised as at 1 April 2023				
– Repayments	–	–	(63,132)	(63,132)
– Net remeasurement of ECL due to change in credit risk without transfer of stage	–	–	4,978	4,978
– Written-off	–	–	(24,369)	(24,369)
As at 31 March 2024	–	–	48,172	48,172
ECL rate	N/A	N/A	76.33%	76.33%

During the year ended 31 March 2024, certain borrowers have repaid loan receivables with a gross carrying amounts of HK$63,576,000, resulting in a reversal of impairment allowance of approximately HK63,132,000. In addition, certain loan receivables with a gross carrying amounts of HK$24,369,000 have been written-off.

19 LOAN RECEIVABLES *(Continued)*

	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
As at 1 April 2022	–	18,239	118,426	136,665
Changes due to financial instruments recognised as at 1 April 2022				
– Repayments	–	(1,844)	(36,529)	(38,373)
– Transfer from Stage 2 to Stage 3	–	(16,395)	16,395	–
– Net remeasurement of ECL due to change in credit risk without transfer of stage	–	–	(1,538)	(1,538)
– Net remeasurement of ECL arising from financial assets transferred from Stage 2 to Stage 3	–	–	33,941	33,941
As at 31 March 2023	–	–	130,695	130,695
ECL rate	N/A	N/A	86.52%	86.52%

During the year ended 31 March 2023, included in the impairment allowance of approximately HK$33,941,000 from net remeasurement of ECL arising from financial assets transferred from Stage 2 to Stage 3 was mainly attributable to a gross carrying amount of loan receivables of HK$61,756,000. The directors of the Company have assessed the relevant borrower's financial background, repayment abilities and expected future cash flows; and determined that an impairment allowance of approximately HK$33,941,000 was provided.

20 ACCOUNT RECEIVABLES

	Note	As at 31 March 2024 HK$'000	2023 HK$'000
Trade receivables	(b)	**192,128**	130,857
Cash client receivables	(a)	**240,709**	241,290
		432,837	372,147
Less: Impairment		**(317,396)**	(313,204)
		115,441	58,943

Account receivables are denominated in the following currencies:

	As at 31 March 2024 HK$'000	2023 HK$'000
HK$	**27,711**	24,835
US$	**87,730**	34,108
	115,441	58,943

Other than those disclosed in Note (a) below, the Group does not hold any collateral as security for other account receivables.

20 ACCOUNT RECEIVABLES *(Continued)*

Notes:

(a) Analysis of cash client receivables

The carrying amount of cash client receivables of the Group was as follows:

	As at 31 March 2024 HK$'000	2023 HK$'000
Cash client receivables	**240,709**	241,290
Less: Impairment		
– Stage 1	**–**	–
– Stage 2	**–**	–
– Stage 3	**(229,336)**	(225,325)
	11,373	15,965

(i) As at 31 March 2024, the Group held securities with an aggregate fair value of HK$23,384,000 (2023: HK$46,358,000) as collaterals over the receivables. The cash client receivables are interest-bearing and have no fixed repayment terms.

No aging analysis is disclosed as in the opinion of the directors, the aging analysis does not give additional value in view of the nature of brokerage business.

(ii) The following is the analysis of the gross carrying amount of the cash client receivables as at 31 March 2024 and 2023 by Loan-to-collateral value ("LTV") and year end classification:

As at 31 March 2024

	12-month ECLs	Lifetime ECLs		
	Stage 1 HK$'000	**Stage 2 HK$'000**	**Stage 3 HK$'000**	**Total HK$'000**
LTV at 100% or above	**–**	**1,487**	**239,222**	**240,709**
	–	**1,487**	**239,222**	**240,709**

20 ACCOUNT RECEIVABLES *(Continued)*

Notes: *(Continued)*

(a) Analysis of cash client receivables *(Continued)*

(ii) The following is the analysis of the gross carrying amount of the cash client receivables as at 31 March 2024 and 2023 by Loan-to-collateral value ("LTV") and year end classification: *(Continued)*

As at 31 March 2023

	12-month ECLs	Lifetime ECLs		
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
LTV at 100% or above	–	–	239,722	239,722
LTV less than 100%	1,568	–	–	1,568
	1,568	–	239,722	241,290

For the gross receivables of stage 3 cash client receivables, fair value of marketable securities pledged was HK$11,700,000 (2023: HK$17,005,000).

(iii) The movements in the impairment allowance of cash client receivables were as follows:

	Stage 1 HK$'000	**Stage 2 HK$'000**	**Stage 3 HK$'000**	**Total HK$'000**
As at 1 April 2023	**–**	**–**	**225,325**	**225,325**
Changes in the impairment allowance due to financial assets as at 1 April 2023				
– Net remeasurement of ECL due to change in credit risk without transfer of stage	**–**	**–**	**4,011**	**4,011**
As at 31 March 2024	**–**	**–**	**229,336**	**229,336**
ECL rate	**N/A**	**N/A**	**95.87%**	**95.28%**

20 ACCOUNT RECEIVABLES *(Continued)*

Notes: *(Continued)*

(a) Analysis of cash client receivables *(Continued)*

(iii) The movements in the impairment allowance of cash client receivables were as follows: *(Continued)*

	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
As at 1 April 2022	18	–	164,900	164,918
Changes in the impairment allowance due to financial assets as at 1 April 2022				
– Transfer from Stage 1 to Stage 3	(18)	–	18	–
– Net remeasurement of ECL arising from financial assets transferred from Stage 1 to Stage 3	–	–	60,118	60,118
– Net remeasurement of ECL due to change in credit risk without transfer of stage	–	–	288	288
New financial assets originated or purchased	–	–	1	1
As at 31 March 2023	–	–	225,325	225,325
ECL rate	N/A	N/A	93.99%	93.38%

The following significant changes in the gross carrying amounts of cash client receivables contributed to the increase in the impairment allowance during the year ended 31 March 2023:

- Transfer of cash client receivables of HK$64,348,000 from Stage 1 to Stage 3 results in an increase in impairment allowance of HK$60,118,000.

Management has assessed the market value of the pledged securities of each individual client at the end of each reporting period. The collateral held can be sold at the Group's discretion to settle any outstanding amount owned by the cash clients.

20 ACCOUNT RECEIVABLES *(Continued)*

Notes: *(Continued)*

(b) Analysis of trade receivables

The carrying amount of trade receivables of the Group was as follows:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Trade receivables	**192,128**	130,857
Less: Impairment	**(88,060)**	(87,879)
	104,068	42,978

(i) The Group grants credit period ranging from 1 day to 60 days (2023: from 1 day to 60 days) to the customers of trading business. The aging analysis of relevant trade receivables at the end of the reporting period based on invoice date and before impairment allowance is as follows:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
1 – 30 days	**8,325**	41,772
31 – 60 days	**8,033**	1,264
61 – 90 days	**–**	–
91 – 180 days	**80,150**	–
Over 180 days	**95,620**	87,821
	192,128	130,857

20 ACCOUNT RECEIVABLES *(Continued)*

Notes: *(Continued)*

(b) Analysis of trade receivables *(Continued)*

(ii) The following is the analysis of the gross carrying amount of the trade receivables as at 31 March 2024 and 2023 by ECL assessment and year end classification:

As at 31 March 2024

	Lifetime ECL (provision matrix) HK$'000	**Credit-impaired HK$'000**	**Total HK$'000**
Trade receivables included in account receivables			
– Not yet past due	**8,325**	**–**	**8,325**
– Past due	**95,983**	**87,820**	**183,803**
	104,308	**87,820**	**192,128**

As at 31 March 2023

	Lifetime ECL (provision matrix) HK$'000	Credit-impaired HK$'000	Total HK$'000
Trade receivables included in account receivables			
– Not yet past due	41,772	–	41,772
– Past due	1,264	87,821	89,085
	43,036	87,821	130,857

20 ACCOUNT RECEIVABLES *(Continued)*

Notes: *(Continued)*

(b) Analysis of trade receivables *(Continued)*

(iii) The movements in the impairment allowance of trade receivables were as follows:

	As at 31 March					
	2024			2023		
	Not credit-impaired HK$'000	**Credit-impaired HK$'000**	**Total HK$'000**	Not credit-impaired HK$'000	Credit-impaired HK$'000	Total HK$'000
At the beginning of year	**58**	**87,821**	**87,879**	–	87,677	87,677
Changes in the impairment allowance due to financial assets at the beginning of year						
– Net remeasurement of ECL due to change in credit risk without transfer of stage	**(58)**	**(1)**	**(59)**	–	–	–
New financial assets originated or purchased	**240**	**–**	**240**	–	–	–
Acquisition of subsidiaries						
– New financial assets originated or purchased	**–**	**–**	**–**	82	101	183
– Net remeasurement of ECL due to change in credit risk without transfer of stage	**–**	**–**	**–**	(24)	43	19
At end of year	**240**	**87,820**	**88,060**	58	87,821	87,879

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its trading business because these customers have common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

As at 31 March 2024, trade receivables with gross carrying amount of HK$87,820,000 (2023: HK$87,821,000) has been past due over one year. A full provision had been made after the Group's assessment on the relevant customers' financial background, repayment abilities, expected future cash flows; and taken consideration of their non-response to collection activities.

20 ACCOUNT RECEIVABLES *(Continued)*

Notes: *(Continued)*

(b) Analysis of trade receivables *(Continued)*

(iii) The movements in the impairment allowance of trade receivables were as follows: *(Continued)*

The following table provides information about the exposure to credit risk for trade receivables which are assessed on a collective basis by using provision matrix within lifetime ECL (not credit-impaired). Debtors that are credit-impaired with gross carrying amounts of HK$87,820,000 as at 31 March 2024 (2023: HK$87,821,000) were assessed individually.

As at 31 March 2024

	Not past due	**Past due**	**Total**
Expected credit loss rate	**0.02%**	**0.25%**	**0.23%**
Gross carrying amount (HK$'000)	**8,325**	**95,983**	**104,308**
Expected credit losses (HK$'000)	**2**	**238**	**240**

As at 31 March 2023

	Not past due	Past due	Total
Expected credit loss rate	0.03%	3.64%	0.13%
Gross carrying amount (HK$'000)	41,772	1,264	43,036
Expected credit losses (HK$'000)	12	46	58

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31 March 2024, the Group provided HK$182,000 (2023: reversed HK$24,000) impairment allowance for trade receivables, based on the provision matrix. A reversal of impairment allowance of HK$1,000 (2023: an impairment allowance of HK$43,000) was made for credit-impaired debtors.

21 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	As at 31 March **2024** **HK$'000**	 2023 HK$'000
Non-current			
Other non-current deposits		**3,001**	1,290
Other assets	(1)	**155**	205
		3,156	1,495
Current			
Prepayments		**1,576**	2,595
Deposits and other receivables	(2)	**4,397**	43,233
Interest receivables	(3)	**–**	–
		5,973	45,828
Total deposits, prepayments and other receivables		**9,129**	47,323

Deposits, prepayments and other receivables are denominated in the following currencies:

	As at 31 March **2024** **HK$'000**	 2023 HK$'000
HK$	**8,992**	7,931
RMB	**–**	995
US$	**137**	38,397
	9,129	47,323

21 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

Notes:

(1) Other assets

The gross carrying amount of other assets of the Group was as follows:

	As at 31 March 2024 HK$'000	2023 HK$'000
Hong Kong Securities Clearing Company Limited		
– guarantee fund deposit	**50**	50
– admission fee	**50**	50
The Stock Exchange of Hong Kong Limited		
– compensation fund deposit	**50**	50
– fidelity fund deposit	**–**	50
– stamp duty deposit	**5**	5
	155	205

As at 31 March 2024 and 2023, all other assets were not past due.

(2) Deposit and other receivables

No aging analysis is disclosed for deposits and other receivables as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

As at 31 March 2024 and 2023, all deposits and other receivables were not past due.

(3) Interest receivables

	As at 31 March 2024 HK$'000	2023 HK$'000
Interest receivables	**5,187**	12,730
Less: Impairment	**(5,187)**	(12,730)
	–	–

21 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

Notes: *(Continued)*

(3) Interest receivables *(Continued)*

The Group's interest receivables, which arise from the money lending business, are denominated in Hong Kong dollars and repayable at terms as agreed with the borrowers.

The following is the analysis of the gross carrying amount of the interest receivables as at 31 March 2024 and 2023 by the past due date and year end classification:

As at 31 March 2024

	Stage 1 **HK$'000**	**Stage 2** **HK$'000**	**Stage 3** **HK$'000**	**Total** **HK$'000**
Past due over 90 days	**–**	**–**	**5,187**	**5,187**
	–	**–**	**5,187**	**5,187**

As at 31 March 2023

	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
Past due over 90 days	–	–	12,730	12,730
	–	–	12,730	12,730

21 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES *(Continued)*

Notes: *(Continued)*

(3) Interest receivables *(Continued)*

The movements in the impairment allowance of interest receivables were as follows:

	Stage 1 HK$'000	**Stage 2 HK$'000**	**Stage 3 HK$'000**	**Total HK$'000**
As at 1 April 2023	**–**	**–**	**12,730**	**12,730**
Changes due to financial instruments recognised as at 1 April 2023				
– Written-off	**–**	**–**	**(7,543)**	**(7,543)**
As at 31 March 2024	**–**	**–**	**5,187**	**5,187**
ECL rate	**N/A**	**N/A**	**100%**	**100%**

	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
As at 1 April 2022	–	2,465	4,953	7,418
Changes due to financial instruments recognised as at 1 April 2022				
– Repayment	–	–	(1,509)	(1,509)
– Transfer from Stage 2 to Stage 3	–	(2,465)	2,465	–
– Net remeasurement of ECL arising from financial assets transferred from Stage 2 to Stage 3	–	–	6,821	6,821
As at 31 March 2023	–	–	12,730	12,730
ECL rate	N/A	N/A	100%	100%

During the year ended 31 March 2023, included in the impairment allowance of approximately HK$6,821,000 from net remeasurement of ECL arising from financial assets transferred from Stage 2 to Stage 3 was mainly attributable to a gross carrying amount of loan receivables of HK$61,756,000. Please refer to Note 19 for further details.

22 OTHER FINANCIAL ASSETS

	Note	As at 31 March 2024 HK$'000	2023 HK$'000
Investments designated at fair value through profit or loss:			
Listed equity securities – Hong Kong	(i)	**192**	372
Equity securities designated at fair value through other comprehensive income			
Unlisted equity securities	(ii)	**4,354**	–

Note:

(i) The listed equity securities were classified as financial assets at fair value through profit or loss as they were held for trading.

(ii) The investment represents the Group's equity interest in a private entity established in Hong Kong. The directors of the Company have elected to designate this investment in equity instruments as at FVTOCI as the Group intend to hold the investment for long term strategic purpose.

23 BANK BALANCES HELD ON BEHALF OF CLIENTS

The Group maintains segregated trust accounts with licensed banks to hold clients' monies in accordance with the relevant legislation. The Group has classified the clients' monies as bank balances held on behalf of clients in current assets of the consolidated statement of financial position and recognised the corresponding account payables to respective clients in current liabilities of the consolidated statement of financial position. The Group is allowed to retain interest on the clients' monies. The Group is not allowed to use the clients' monies to settle its own obligations.

As at 31 March 2024 and 2023, no impairment was made on bank balances held on behalf of clients.

24 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are denominated in the following currencies:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Cash on hand		
HK$	**32**	138
Israeli Shekel ("ILS")	**4**	4
	36	142
Cash at banks		
HK$	**54,996**	10,097
RMB	**1,027**	115
US$	**11,671**	20,605
	67,694	30,817
	67,730	30,959

The effective interest rate on cash at bank was 0.1% (2023: 0.3%) per annum.

The conversion of bank and cash balances denominated in RMB into foreign currencies in the PRC and the remittance of these deposits or cash out of the PRC are subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government. As at 31 March 2024, the Group's cash at banks of approximately HK$1,009,000 (2023: HK$97,000) was deposited at banks in the PRC.

As at 31 March 2024 and 2023, no impairment was made on cash and cash equivalents.

25 SHARE CAPITAL

Authorised shares:

As at 31 March 2024, the total authorised number of ordinary shares is 9,600 million shares (2023: 9,600 million shares) with a par value of HK$0.008333 per share (2023: HK$0.008333 per share).

Issued shares:

	Number of shares '000	Share capital HK$'000
As at 1 April 2022	438,478	3,654
Issuance of shares upon the placement (Note (1))	87,684	731
As at 31 March 2023, 1 April 2023	526,162	4,385
Issuance of shares upon the placement (Note (2))	105,228	877
Issuance of shares upon the rights issue (Note (3))	315,695	2,630
As at 31 March 2024	947,085	7,892

Note:

(1) On 19 September 2022, the Group completed a placing of new shares under general mandate (the "Placing 2022"). 87,684,000 ordinary shares were issued by the Company. Shares were issued at a price of HK$0.25 per share giving the gross proceeds of approximately HK$21.9 million. The net proceeds of approximately HK$21.6 million from the Placing 2022 are intended to be used for trading business of the Group for the payment for procurement of computer and peripheral products. As at 31 March 2023, all of the net proceeds of approximately HK$21.6 million had been fully utilised as intended for the payment for procurement of computer and peripheral products for trading business.

(2) On 19 September 2023, the Group completed a placing of new shares under general mandate (the "Placing 2023"), 105,228,000 ordinary shares were issued by the Company. Shares were issued at a price of HK$0.25 per share giving the gross proceeds of approximately HK$26.3 million. The net proceeds of approximately HK$25.5 million from the Placing 2023 are intended to be used for general working capital of the Group. As at 31 March 2024, all of the net proceeds of approximately HK$25.5 million are used for general working capital of the Group.

(3) On 18 December 2023, the Company proposed to implement the rights issue on the basis of one rights share for every two existing share held on 1 December 2023 (the "Rights Issue"), being the record date, at the subscription price of HK$0.18 per rights share. The Rights Issue was completed on 22 January 2024. As such, 315,695,100 shares, with par value of HK$0.18 each, were issued and allotted under the Rights Issue with proceeds of approximately HK$55.4 million after deducting direct cost credited to the Company's equity under "Share premium".

26 SHARE-BASED PAYMENTS

Share award scheme

On 14 March 2019, the Company adopted the share award scheme (the "Share Award Scheme") under which shares of the Company (the "Awarded Shares") may be awarded to selected employees (including directors) and non-executive directors of the Group (the "Selected Person (s)") pursuant to the terms of the Share Award Scheme and trust deed of the Share Award Scheme (the "Trust Deed"). The share award scheme became effective on the adoption date and, unless otherwise terminated or amended, will remain in force for 10 years from that date, i.e., 13 March 2029. The Share Award Scheme is subject to the administration of the Board of Directors and the trustee of the Share Award Scheme (the "Trustee") in accordance with the Share Award Scheme and the Trust Deed.

The Board of Directors shall not make any further award of Awarded Shares which will result in the nominal value of the Shares awarded by the Board of Directors under the Scheme exceeding 10% of the issued share capital of the Company from time to time. The maximum number of Shares which may be awarded to a Selected Person under the Scheme shall not exceed 1% of the issued share capital of the Company from time to time.

The Board of Directors may contribute funds to the trust constituted by the Trust Deed (the "Trust") for the purchase or subscription of shares of the Company and other purposes set out in the Share Award Scheme and the Trust Deed. The Trustee shall hold the trust fund in accordance with the terms of the Trust Deed. The Board of Directors may instruct the Trustee to purchase shares of the Company on The Stock Exchange of Hong Kong Limited and to hold them in trust for the benefit of the persons who are eligible for the Awarded Shares on and subject to the terms and conditions of the Share Award Scheme and the Trust Deed (the "Eligible Persons"). The Trustee shall not exercise the voting rights in respect of any shares, including but not limited to the Awarded Shares, any bonus shares and scrip shares derived therefrom, held by it under the Trust.

Subject to the terms and conditions of the Share Award Scheme and the fulfilment of all relevant vesting conditions, the respective Awarded Shares held by the Trustee on behalf of a Selected Person pursuant to the provision of the Share Award Scheme shall vest in such Selected Person in accordance with the vesting schedule (if any) and the Trustee shall cause the Awarded Shares to be transferred to such Selected Person on the vesting date at no consideration.

During the years ended 31 March 2024 and 2023, no Awarded Shares were granted to any Eligible Persons of the Group.

27 OTHER RESERVES

(a) Merger reserve

The Group's merger reserve represents the difference between the share capital of the Company and the aggregate amount of share capital of other companies comprising the Group, after elimination of intra-group investments.

(b) Capital reserve

The Group's capital reserve represents i) deemed contribution by the immediate holding company as a shareholder acquired the remaining non-controlling interests of subsidiaries and contributed to the Group at no cost prior to 1 April 2011, ii) placing commission paid to a subsidiary of the Company for the placing of shares on 19 September 2022 and iii) the excess of the considerations received from over the changes in the carrying amounts of non-controlling interests in the disposal of partial interests in subsidiaries.

(c) Statutory reserve

The Company's subsidiary in the PRC is required to transfer 10% of its profit after income tax calculated in accordance with the PRC accounting standards and regulations to the statutory reserve until the balance reaches 50% of its respective registered capital, where further transfers will be at their directors' discretion. The statutory reserve can be used to offset prior years' losses, if any, and may be converted into share capital by issuing new shares to equity holders of the PRC subsidiary in proportion to their existing shareholding or by increasing the par value of the shares currently held by them, provided that the remaining balance of the statutory reserve after such issue is no less than 25% of share capital of the PRC subsidiary.

28 DIVIDENDS

No final dividend for the years ended 31 March 2024 and 2023 was proposed.

29 DEFERRED INCOME TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax recoverable against current income tax liabilities and when the deferred taxes relate to the same taxation authority. The deferred tax assets and liabilities are to be utilised and settled after one year and the following amounts, determined after appropriate offsetting, are shown in the consolidated statement of financial position.

Movements of deferred tax assets:

	Lease liabilities HK$'000	Decelerated tax depreciation HK$'000	Impairment of financial assets HK$'000	Unrealised losses HK$'000	Tax losses HK$'000	Total HK$'000
At 1 April 2022	–	7	3,420	237	34,970	38,634
(Charged)/credited to profit or loss	1,835	(7)	(3,420)	(237)	(17,420)	(19,249)
At 31 March 2023 and 1 April 2023	1,835	–	–	–	17,550	19,385
Charged to profit or loss	(350)	–	–	–	–	(350)
At 31 March 2024	1,485	–	–	–	17,550	19,035

Offset between deferred tax assets and liabilities:

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Balance as at 31 March	**19,035**	19,385
Amount offset between deferred tax assets and liabilities in the consolidated statement of financial position	**(1,786)**	(2,233)
	17,249	17,152

29 DEFERRED INCOME TAX *(Continued)*

Movements of deferred tax liabilities:

	Right-of-use assets HK$'000	Accelerated tax depreciation HK$'000	Fair value adjustments arising from subsidiaries HK$'000	Total HK$'000
At 1 April 2022	–	793	7	800
Charged/(credited) to profit or loss	1,835	(156)	(30)	1,649
Acquisition of subsidiaries	–	–	692	692
At 31 March 2023 and 1 April 2023	1,835	637	669	3,141
Credited to profit or loss	(350)	(51)	(139)	(540)
At 31 March 2024	1,485	586	530	2,601

Offset between deferred tax assets and liabilities:

	Year ended 31 March **2024** **HK$'000**	2023 HK$'000
Balance as at 31 March	**2,601**	3,141
Amount offset between deferred tax assets and liabilities in the consolidated statement of financial position	**(1,786)**	(2,233)
	815	908

As at 31 March 2024, the Group has unrecognised tax losses of HK$353,422,000 (2023: HK$360,160,000) in Hong Kong, which have no expiry dates, and HK$11,960,000 (2023: HK$11,927,000) in the PRC which will expire within 2024 to 2028. No deferred tax assets have been recognised for these tax losses as the directors considered it is not probable that taxable profits will be available against which the tax losses can be utilised.

29 DEFERRED INCOME TAX *(Continued)*

Movements of deferred tax liabilities:

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Deferred tax assets as presented in the consolidated statement of financial position	**17,249**	17,152
Deferred tax liabilities as presented in the consolidated statement of financial position	**(815)**	(908)
Deferred tax assets, net	**16,434**	16,244

The movement on the deferred income tax is as follows:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
At beginning of the year	**16,244**	37,834
Credited/(charged) to profit or loss (Note 11)	**190**	(20,898)
Acquisition of subsidiaries	**–**	(692)
At end of the year	**16,434**	16,244

30 ACCOUNT PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Trade payables	**54,238**	54,334
Cash client payables (Note a)	**6,154**	2,314
Total account payables	**60,392**	56,648
Other payables and accrued expenses		
Accrued expenses	**3,951**	3,431
Other payables	**1,106**	5,981
Total other payables and accrued expenses	**5,057**	9,412
Total account payables, other payables and accrued expenses	**65,449**	66,060

Notes:

(a) The settlement terms of payables arising from securities business are normally two to three days after trade date or specific terms agreed. The majority of the cash client payables are unsecured, non-interest-bearing and repayable on demand, except where certain balances represent trades pending settlement or cash received from clients for their trading activities under the normal course of business.

(b) As at 31 March 2024 and 2023, all trade payables were aged within two months, based on invoice date. No aging analysis is disclosed for cash client payables as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

Account payables, other payables and accrued expenses of the Group are denominated in the following currencies:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
HK$	**15,515**	13,750
RMB	**3**	3
US$	**49,931**	52,307
	65,449	66,060

Other than those disclosed in Note (a) above, account payables and other payables are unsecured, non-interest-bearing and repayable on demand.

31 BORROWINGS

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Bank borrowings	**122,940**	163,052
Other borrowings	**–**	10,000
	122,940	173,052
Analysed as:		
– Secured	**113,734**	151,250
– Guaranteed	**9,206**	21,802
	122,940	173,052

As at 31 March 2024, the Group's bank borrowings of HK$113,734,000 (2023: HK$151,250,000) are secured by the Group's owned properties situated in Hong Kong of HK$186,941,000 (2023: HK$195,022,000) (Note 13).

As at 31 March 2024, the Group's bank borrowings of HK$9,206,000 (2023: HK$11,802,000) is guaranteed by a shareholder of the Company.

As at 31 March 2024, the Group's other borrowings of HK$nil (2023: HK$10,000,000) is guaranteed by the spouse of the substantial shareholder of the Company.

The Group's secured bank borrowings, which contain a clause giving the lender an unconditional right to demand repayment at any time, have been classified as current liabilities irrespective of the probability that the lenders will invoke the clause without cause.

31 BORROWINGS *(Continued)*

The maturities of the bank borrowings that contain repayable on demand clause and other borrowings in accordance with the scheduled repayment dates are as follows:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
The carrying amounts of other borrowings are repayable:		
– Within one year	**–**	10,000
	–	10,000
The carrying amounts of bank borrowings that contain a repayment on demand clause (shown under current liabilities) but repayable:		
– Within one year	**105,421**	138,355
– Between one and two years	**13,910**	7,217
– Between two and five years	**3,609**	17,480
	122,940	163,052
	122,940	173,052

The exposure of the Group's borrowings are as follows:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Variable-rate borrowings	**120,110**	157,044
Fixed-rate borrowings	**2,830**	16,008
	122,940	173,052

The Group's variable-rate bank borrowings carry interest at a floating interest rate plus credit spread per annum (2023: same).

As at 31 March 2024, the Group's variable rate bank borrowings of approximately HK$98,213,000 (2023: HK$131,250,000) and HK$21,897,000 (2023: HK$25,794,000) are carrying interest at 3-month Secured Overnight Financing Rate plus premium and 3-month Hong Kong Inter-bank Offered Rate respectively.

31 BORROWINGS *(Continued)*

As at 31 March 2024, the Group's fixed rate bank borrowings of HK$2,830,000 (2023: HK$6,008,000), and other borrowings of HK$nil (2023: HK$10,000,000) are guaranteed, interest bearing at a fixed rate per annum and repayable within one year.

Borrowings of the Group are denominated in the following currencies:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
HK$	**24,727**	41,802
US$	**98,213**	131,250
	122,940	173,052

32 SENIOR MANAGEMENT EMOLUMENTS

(a) Five highest paid individuals

The five individuals whose remunerations were the highest in the Group are as follows:

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Directors (Note 40)	**–**	1,300
Employees	**4,957**	3,975
	4,957	5,275

The five individuals whose emoluments were the highest in the Group include nil (2023: one) director whose emolument was reflected in Note 40.

32 SENIOR MANAGEMENT EMOLUMENTS *(Continued)*

(a) Five highest paid individuals *(Continued)*

The emoluments payable to five (2023: four) non-director individuals during the year are as follows:

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Short term employee benefits	**4,122**	3,903
Discretionary bonus	**746**	–
Post-employment benefits	**89**	72
	4,957	3,975

Remuneration of the five (2023: four) highest paid non-director individuals during the year fell within the following bands:

	Number of individuals	
	2024	2023
Emolument Bands		
HK$500,001 to HK$1,000,000	**4**	3
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,000,001 to HK$2,500,000	**1**	–

During both years, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

(b) Senior management's emoluments

The emoluments of the one (2023: one) senior management during the year fell within the following bands:

	Number of individuals	
	2024	2023
Emolument Bands		
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,000,001 to HK$2,500,000	**1**	–

33 FINANCIAL INSTRUMENTS BY CATEGORIES

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

As at 31 March 2024

Financial assets

	At amortised cost HK$'000	At fair value through profit or loss (held for trading) HK$'000	At fair value through other comprehensive income HK$'000	Total HK$'000
Loan receivables	14,940	–	–	14,940
Account receivables	115,441	–	–	115,441
Financial assets included in deposits, prepayments and other receivables	7,553	–	–	7,553
Financial assets at fair value through profit or loss	–	192	–	192
Financial assets at fair value through other comprehensive income	–	–	4,354	4,354
Bank balances held on behalf of clients	6,305	–	–	6,305
Pledged bank deposits	14,982	–	–	14,982
Cash and cash equivalents	67,730	–	–	67,730
	226,951	192	4,354	231,497

Financial liabilities

	At amortised cost HK$'000	Total HK$'000
Account payables	60,392	60,392
Financial liabilities included in other payables and accrued expenses	5,057	5,057
Lease liabilities	9,716	9,716
Borrowings	122,940	122,940
	198,105	198,105

33 FINANCIAL INSTRUMENTS BY CATEGORIES *(Continued)*

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

As at 31 March 2023

Financial assets

	At amortised cost	**At fair value through profit or loss (held for trading)**	**Total**
	HK$'000	HK$'000	HK$'000
Loan receivables	20,362	–	20,362
Account receivables	58,943	–	58,943
Financial assets included in deposits, prepayments and other receivables	44,728	–	44,728
Financial assets at fair value through profit or loss	–	372	372
Bank balances held on behalf of clients	2,314	–	2,314
Cash and cash equivalents	30,959	–	30,959
	157,306	372	157,678

Financial liabilities

	At amortised cost	**Total**
	HK$'000	HK$'000
Account payables	56,648	56,648
Financial liabilities included in other payables and accrued expenses	9,412	9,412
Lease liabilities	11,520	11,520
Borrowings	173,052	173,052
	250,632	250,632

34 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of profit/(loss) before income tax to cash generate from/(used in) operations:

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Profit/(loss) before income tax	**11,142**	(109,659)
Adjustments for:		
Depreciation of property, plant and equipment (Note 13)	**11,066**	10,200
Depreciation of right-of-use assets (Note 14)	**3,986**	1,051
Impairment of property, plant and equipment (Note 13)	**–**	6,000
Amortisation of intangible assets (Note 15)	**840**	139
Gain on disposal of property, plant and equipment (Note 34(b))	**(500)**	(302)
Exchange gains, net (Note 8)	**(535)**	(219)
Finance income (Note 8)	**(410)**	(33)
Finance costs (Note 9)	**11,666**	8,663
Unrealised loss/(gain) on change in fair value of equity securities at fair value through profit or loss (Note 8)	**180**	(1,603)
Reversal of impairment of inventories (Note 18)	**–**	(1,562)
Impairment of goodwill (Note 15)	**–**	3,391
Realised loss on disposal of financial assets at fair value through profit or loss (Note 8)	**–**	1,738
Impairment losses under expected credit loss model, net of reversal		
– Loan receivables (Note 7)	**(58,154)**	(5,970)
– Cash client receivables (Note 7)	**4,011**	60,407
– Trade receivables (Note 7)	**181**	(19)
– Interest receivables (Note 7)	**–**	5,312
Changes in working capital:		
– Inventories	**19,411**	(7,171)
– Loan receivables	**63,576**	43,473
– Account receivables	**(60,690)**	(30,942)
– Bank balances held on behalf of clients	**(3,991)**	10,178
– Deposits, prepayments and other receivables	**38,194**	(3,510)
– Account payables	**3,744**	24,142
– Other payables and accrued expenses	**(4,355)**	(4,463)
– Contract liabilities	**–**	(10,457)
Cash generated from/(used in) operations	**39,362**	(1,216)

34 NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Net book amount of property, plant and equipment disposed (Note 13)	**–**	363
Gain on disposal of property, plant and equipment	**500**	302
Proceeds from disposal of property, plant and equipment	**500**	665

(c) Reconciliation of liabilities arising from financing activities is as follows:

	Lease liabilities	**Borrowings**	**Total**
	HK$'000	HK$'000	HK$'000
At 1 April 2022	–	177,373	177,373
Drawdown of borrowings	–	164,742	164,742
Repayments of borrowings	–	(181,545)	(181,545)
Interest paid	–	(8,440)	(8,440)
Repayment of principal portion of lease liabilities	(498)	–	(498)
Repayment of interest portion of lease liabilities	(557)	–	(557)
Other changes			
Acquisition of subsidiaries	11,266	12,330	23,596
New lease entered	1,238	–	1,238
Interest expenses (Note 9)	71	8,592	8,663
At 31 March 2023	11,520	173,052	184,572
Drawdown of borrowings	–	125,885	125,885
Repayments of borrowings	–	(175,477)	(175,477)
Interest paid	–	(11,902)	(11,902)
Repayment of principal portion of lease liabilities	(3,669)	–	(3,669)
Repayment of interest portion of lease liabilities	(284)	–	(284)
Other changes			
New lease entered	1,865	–	1,865
Interest expenses (Note 9)	284	11,382	11,666
At 31 March 2024	9,716	122,940	132,656

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
Contracted, but not provided for:		
Leasehold improvements	**–**	–

36 BUSINESS COMBINATION

On 11 January 2023, Excel Goal Limited, an indirectly wholly-owned subsidiary of the Company, completed the acquisition of 100% equity interest in Shag Mei and Legend International Food Limited ("Legend") from an independent third party pursuant to a sales and purchase agreement dated 3 October 2023 at a consideration of HK$19,800,000, to be satisfied by cash of HK$19,800,000. Shag Mei and Legend are principally engaged in trading of food products and provision of processing and preserving of fish in Hong Kong respectively.

In accordance with HKFRS 3, "Business Combinations", the Group is required to recognise the identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria at their fair value at the acquisition date. Accordingly, the Group has undertaken a purchase price allocation allocating the purchase consideration to the identifiable assets and liabilities acquired at the acquisition date. Significant accounting estimates have been involved when performing the allocation.

36 BUSINESS COMBINATION *(Continued)*

The fair values of the identifiable assets and liabilities of Shag Mei and Legend as at the date of acquisition were as follows:

	HK$'000
Purchase consideration	19,800
Recognised amounts of identifiable assets acquired and liabilities assumed at fair value	
Property, plant and equipment (Note 13)	2,463
Right-of-use assets	10,906
Customer relationship (Note 15)	4,194
Account receivables	9,074
Deposits, prepayments and other receivables	9,498
Inventories	4,199
Cash and cash equivalents	5,808
Account payables	(3,201)
Other payables and accrued expenses	(5,628)
Lease liabilities	(11,266)
Borrowings	(12,330)
Income tax payables	(1,260)
Deferred tax liabilities	(692)
Total identifiable net assets	11,765
Goodwill (Note 15)	8,035
Net cash outflow arising on acquisition	
Cash consideration paid	(13,500)
Less: Cash and cash equivalents acquired	5,808
	(7,692)

The Group incurred transaction costs of HK$750,000 for this acquisition. These transaction costs have been expensed and are included in general and administrative expenses in the consolidated income statement for the year ended 31 March 2023.

Included in the goodwill of HK$7,337,000 recognised above is an assembled workforce, which is not recognised separately. Because the Group would not have sufficient control over the expected future economic benefits arising from the assembled workforce, it does not meet the criteria for recognition as an intangible asset under HKAS 38, "Intangible Assets". None of the goodwill recognised is expected to be deductible for income tax purposes.

36 BUSINESS COMBINATION *(Continued)*

Revenue included in the consolidated income statement since acquisition date contributed by Shag Mei and Legend were HK$24,845,000. This acquired business contributed operating loss of HK$196,000 for the year ended 31 March 2023 from the acquisition date.

Had the combination taken place at the beginning of the financial year ended 31 March 2023, the revenue from continuing operations of the Group and the loss of the Group for the year ended 31 March 2023 would have been HK$563,461,000 and HK$124,292,000 respectively.

37 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

During the year ended 31 March 2024, the Group entered into the capital injection agreement with independent third parties pursuant to which the independent third parties agreed to contribute a total of USD49,000 (equivalent to approximately HK$382,000) into Aspire Well Limited which resulted in passive dilution of equity interests in Aspire Well Limited. The transaction was completed on 31 January 2024 (“Deemed Partial Disposal Completion Date”). Accordingly, the Group’s effective equity interest in Aspire Well Limited reduced from 100% to 51% without loss of control in Aspire Well Limited, and the excess of capital injection recognised of approximately HK$7,339,000 was credited to capital reserve.

As at the Deemed Partial Disposal Completion Date, the financial effect on the equity attributable to the owners of the Company is summarized as follows:

	2024 **HK$’000**
Capital contribution by non-controlling interests	**382**
Carrying amount of equity interest obtained by non-controlling interests	**6,957**
Excess of capital injection recognised in non-controlling interests within equity	**7,339**

38 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with other related parties

Save as disclosed in Note 38(c), during the years ended 31 March 2024 and 2023, no material transactions were undertaken by the Group with related parties.

(b) Outstanding balances with related parties

As at 31 March 2024 and 2023, there were no material outstanding balances with related parties.

(c) Compensation of key management personnel of the Group

	Year ended 31 March	
	2024	2023
	HK$'000	HK$'000
Short term employee benefits	**3,020**	3,584
Discretionary bonus	**1,016**	–
Post-employment benefits	**37**	41
	4,073	3,625

Further details of directors' and the chief executive's emoluments are included in Note 40.

39 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

	As at 31 March	
	2024	2023
	HK$'000	HK$'000
ASSETS		
Non-current assets		
Interests in subsidiaries	**95,214**	99,879
Deposits, prepayments and other receivables	**1,470**	–
	96,684	99,879
Current assets		
Amounts due from subsidiaries	**82,153**	29,118
Deposits, prepayments and other receivables	**645**	42
Cash and cash equivalents	**12,622**	3,546
	95,420	32,706
Total assets	**192,104**	132,585
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	**7,892**	4,385
Reserves (Note a)	**182,292**	110,990
Total equity	**190,184**	115,375
LIABILITIES		
Current liabilities		
Other payables and accrued expenses	**1,920**	1,611
Amount due to subsidiaries	**–**	5,599
Borrowing	**–**	10,000
	1,920	17,210
Total liabilities	**1,920**	17,210
Total equity and liabilities	**192,104**	132,585
Net current assets	**93,500**	15,496
Total assets less current liabilities	**190,184**	115,375

The statement of financial position of the Company was approved by the Board of Directors on 24 June 2024 and was signed on its behalf by:

Chan Wing Sum
Director

Qu Hongqing
Director

39 STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY *(Continued)*

(a) Reserves movement of the Company:

	Share premium HK$'000	Contributed surplus HK$'000 (Note)	Shares held for share award scheme HK$'000	Accumulated losses HK$'000	Total HK$'000
For the year ended 31 March 2024					
Balance at 1 April 2023	**515,675**	**95,114**	**(21,630)**	**(478,169)**	**110,990**
Loss for the year	**–**	**–**	**–**	**(6,202)**	**(6,202)**
Total comprehensive expense	**–**	**–**	**–**	**(6,202)**	**(6,202)**
Issuance of shares upon placement	**24,639**	**–**	**–**	**–**	**24,639**
Issuance of shares upon rights issue	**54,194**	**–**	**76**	**–**	**54,270**
Transaction costs attributable to shares issued upon rights issue	**(1,405)**	**–**	**–**	**–**	**(1,405)**
Balance at 31 March 2024	**593,103**	**95,114**	**(21,554)**	**(484,371)**	**182,292**
For the year ended 31 March 2023					
Balance at 1 April 2022	494,815	95,114	(21,630)	(469,895)	98,404
Loss for the year	–	–	–	(8,274)	(8,274)
Total comprehensive expense	–	–	–	(8,274)	(8,274)
Issue of share	20,860	–	–	–	20,860
Balance at 31 March 2023	515,675	95,114	(21,630)	(478,169)	110,990

Note: Contributed surplus

Contributed surplus represents the difference between the excess of the nominal value of the Company shares issued and the aggregate net asset value of the subsidiaries acquired pursuant to the group reorganisation.

40 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of the directors for the year ended 31 March 2024 is set out below:

	Fee HK$'000	Salary HK$'000	Discretionary bonus HK$'000	Housing allowance HK$'000	Estimated monetary value of other benefit HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Remunerations paid or receivable in respect of accepting office as director HK$'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking HK$'000	Total HK$'000
Year ended 31 March 2024									
Name of directors									
Executive directors									
Mr. Qu Hongqing	–	–	454	–	–	–	–	–	454
Mr. Chan Wing Sum (Note (i))	320	–	–	–	–	11	–	–	331
Ms. Kwok Ling Yee Pearl Elizabeth (Note (ii))	380	–	–	–	–	–	–	–	380
	700	–	454	–	–	11	–	–	1,165

40 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

The remuneration of the directors for the year ended 31 March 2024 is set out below: *(Continued)*

	Fee HK$'000	Salary HK$'000	Discretionary bonus HK$'000	Housing allowance HK$'000	Estimated monetary value of other benefit HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Remunerations paid or receivable in respect of accepting office as director HK$'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking HK$'000	Total HK$'000
Year ended 31 March 2024									
Name of directors									
Independent non-executive directors									
Mr. Loo Hong Shing, Vincent	161	–	–	–	–	8	–	–	169
Mr. Zhu Shouzhong	161	–	–	–	–	–	–	–	161
Mr. Li Huaqiang	161	–	–	–	–	–	–	–	161
	483	–	–	–	–	8	–	–	491

40 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

The remuneration of the directors for the year ended 31 March 2023 is set out below:

	Fee	Salary	Discretionary bonus	Housing allowance	Estimated monetary value of other benefit	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 31 March 2023									
Name of directors									
Executive directors									
Mr. Qu Hongqing (Note (iii))	–	–	–	–	–	–	–	–	–
Mr. Liu Qiaosong (Note (iv))	1,300	–	–	–	–	15	–	–	1,315
	1,300	–	–	–	–	15	–	–	1,315

40 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

The remuneration of the directors for the year ended 31 March 2023 is set out below: *(Continued)*

	Fee HK$'000	Salary HK$'000	Discretionary bonus HK$'000	Housing allowance HK$'000	Estimated monetary value of other benefit HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Remunerations paid or receivable in respect of accepting office as director HK$'000	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiaries undertaking HK$'000	Total HK$'000
Year ended 31 March 2023									
Name of directors									
Independent non-executive directors									
Mr. Loo Hong Shing, Vincent	161	–	–	–	–	8	–	–	169
Mr. Zhu Shouzhong	161	–	–	–	–	–	–	–	161
Mr. Li Huaqiang	161	–	–	–	–	–	–	–	161
	483	–	–	–	–	8	–	–	491

Notes:

(i) Chan Wing Sum was appointed as an executive director and Chief Executive Officer of the Company with effect from 24 August 2023.

(ii) Kwok Ling Yee Pearl Elizabeth was appointed as an executive director on 24 August 2023 and resigned on 5 April 2024.

(iii) Qu Hongqing has been appointed as an executive director of the Company with effect from 1 April 2022.

(iv) Liu Qiaosong has been appointed as an executive director and a vice chairman of the Company with effect from 11 February 2022, and then he has resigned as an executive director and a vice chairman of the Company with effect from 6 December 2022.

During the years ended 31 March 2024 and 2023, no director waived any emoluments.

40 BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the years ended 31 March 2024 and 2023.

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the years ended 31 March 2024 and 2023.

(d) Consideration provided to third parties for making available directors' services

During the years ended 31 March 2024 and 2023, no consideration was paid by the Company to third parties for making available directors' services.

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the years ended 31 March 2024 and 2023, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors.

(f) Directors' material interests in transactions, arrangements or contracts

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 has a material interest, whether directly or indirectly, subsisted at the end of 31 March 2024 and 2023 or at any time during the years ended 31 March 2024 and 2023.

During both years, no remuneration was paid 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. None of the directors of the Company has waived any remuneration during both years.