

金石資本集團有限公司

GOLDSTONE CAPITAL GROUP LIMITED

(incorporated in Bermuda with limited liability)

Stock Code: 1160



2023/24
Annual Report



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ms. Li Li (*appointed with effect from 25 April 2024*)

Ms. Chan Mei Yan (*resigned with effect from 31 May 2023*)

Non-Executive Directors

Mr. Huang Bin (*Chairman*)

Mr. Chen Huaiyuan

Mr. Lam King

Mr. Xu Lin

Independent Non-Executive Directors

Mr. Hung Hoi Ming Raymond

Mr. Ning Fong

Ms. Wan Yuk Ling

COMPANY SECRETARY

Mr. Leung Chung Man

AUDIT COMMITTEE

Ms. Wan Yuk Ling (*Chairman*)

Mr. Hung Hoi Ming Raymond

Mr. Ning Fong

REMUNERATION COMMITTEE

Mr. Ning Fong (*Chairman*)

Mr. Huang Bin

Mr. Hung Hoi Ming Raymond

NOMINATION COMMITTEE

Mr. Huang Bin (*Chairman*)

Mr. Hung Hoi Ming Raymond

Mr. Ning Fong

INVESTMENT MANAGER

INV Advisory Limited

Room 1710A, Convention Plaza Office Tower

No.1 Harbour Road, Wanchai, Hong Kong

(*ceased to provide service from 31 May 2023*)

CUSTODIAN

DBS Bank Ltd., Hong Kong Branch

18/F, The Center

99 Queen's Road Central

Hong Kong

AUDITORS

Crowe (HK) CPA Limited

9/F., Leighton Centre

77 Leighton Road

Causeway Bay, Hong Kong

PRINCIPAL BANKER

OCBC Bank (Hong Kong) Limited

161 Queen's Road Central

Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1801A, 18/F

Bank of America Tower

12 Harcourt Road, Admiralty

Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33/F

Two Chinachem Exchange Square

338 King's Road, North Point

Hong Kong

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law:

Li & Partners

22/F World-Wide House

19 Des Voeux Road Central

Central, Hong Kong

As to Bermuda law:

Conyers Dill & Pearman

29/F, One Exchange Square

8 Connaught Place

Central, Hong Kong

WEBSITE

<https://www.irasia.com/listco/hk/goldstone>

Management Discussion and Analysis

OPERATING RESULTS

For the year ended 31 March 2024 (the “Year”), the Company recorded a loss for the year of approximately HK\$9,358,000 (2023: loss of approximately HK\$10,172,000), representing a decrease in loss for the year of approximately HK\$814,000 as compared with the year ended 31 March 2023 mainly due to a decrease in general and administrative expenses incurred for the Year.

Net investment gain of approximately HK\$32,000 was recognised for the Year as compared with the net investment gain of approximately HK\$48,000 recorded last year. The net investment gain for the Year mainly derived from recognition of fair value change on financial assets at fair value through profit or loss. The general and administrative expenses for the Year amounted to approximately HK\$9,419,000, representing a decrease of approximately HK\$913,000 as compared with last year, which was mainly due to a decrease in the investment management fee paid that outweighed the increase of the depreciation expense incurred for the Year.

BUSINESS REVIEW AND PROSPECTS

The global economy continued to face uncertainties in 2023. Stepping into 2024, which is an election year where the United States of America (the “US”) and the United Kingdom are among the many countries holding national elections, global uncertainties exacerbated. This widespread political activity is expected to further impact global market dynamics, international relations, trade policies and global economic stability, posing challenges to the road to economy recovery.

The US Federal Reserve Board raised interest rate numerous times in 2023. Although some expected interest rate cuts in the first quarter of 2024 with the economic data showing a rather stable inflation rate, the latest economic performance of the US were considered to be better than expected. As a result, some analysts are of the view that the interest rate might remain high for a certain period of time.

The continuous tense China-US relation has contributed to more sanctions and restrictive measures (such as new tariff) imposed by the US Government on various Chinese companies and business.

In addition, geopolitical conflicts persisted. The ongoing conflict between Russia and Ukraine has continuously caused supply chain issues for businesses worldwide. The Israeli-Palestinian conflict escalated instability in the Middle East, which worsened disruptions of the global supply chain.

In China, the real estate sector remains subdued. However, the Chinese central government has continuously implemented stimulus measures to restore the industry confidence and it is anticipated that the economy shall experience a turnaround in the future.

The worsened external economic environment and interest rate hikes continued to pose immense pressure on Hong Kong's stock market. The Hang Seng Index has continued to head down by approximately 3.0% in the first quarter of 2024 with the lowest closing point of 14,961 on 22 January 2024 although it was relatively stable in April and May 2024.

Looking ahead, the Hong Kong economy is expected to show a continuation of vulnerabilities in 2024. According to the statistics published by the Government of Hong Kong, the Hong Kong economy continued to improve in the first quarter of 2024. Real GDP resumed year-on-year growth of 2.7%. However, the weak worldwide financial conditions led to the depressed cross-border financial and fund-raising activities, resulting in decline of exports of financial services by 1.1% in the first quarter of 2024 on a seasonally adjusted quarter-to-quarter basis. Also, the private consumption expenditure reduced by 0.9% on the same basis.

Management Discussion and Analysis

The Board has been identifying various potential investment opportunities by reviewing and analysing their business operation, strategies and financial information. However, in view of the abovementioned factors and the volatility of the worldwide economy and investment market, the Board considered it is appropriate to adopt a relatively cautious approach for any investment and business development conducted by the Company. The Company has also been closely monitoring the business and industry development of potential investment targets, including but not limited to any recent updates to the relevant policies and regulations. Going forward, the Board shall continue to stay well informed of global economic and investment market trends and examine the Hong Kong market situation vigilantly in order to make necessary adjustments to the investment strategies as and when appropriate.

EXPIRATION OF INVESTMENT MANAGEMENT AGREEMENT AND CHANGE IN DIRECTOR OR OF IMPORTANT EXECUTIVE FUNCTIONS OR RESPONSIBILITIES

With effect from 31 May 2023, (i) the investment management agreement (the “Investment Management Agreement”) between the Company and INV Advisory Limited (“INV Advisory”) expired; (ii) Ms. Chan Mei Yan resigned as an executive Director, the chairman of the investment committee of the Board (the “Investment Committee”), and an authorised representative of the Company (the “Authorised Representative”) as required under Rule 3.05(2) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”); and (iii) Mr. Lam King, a non-executive Director, has been appointed as an Authorised Representative. For details, please refer to the announcement of the Company dated 1 June 2023.

RESIGNATION OF CHIEF EXECUTIVE OFFICER

With effect from 4 March 2024, Ms. Wang Biao resigned as the Chief Executive Officer of the Company. The Company is in the process of identifying a suitable candidate to fill the vacancy of the Chief Executive Officer. The Company will make further announcement(s) in this regard as and when appropriate and in accordance with the requirements under the Listing Rules. For details, please refer to the announcement of the Company dated 4 March 2024.

SIGNIFICANT INVESTMENTS HELD

As at 31 March 2024, the Company did not hold any significant investments.

As at 31 March 2023, the Company held U.S. Treasury Bills amounted to approximately HK\$6,610,000. During the Year, the U.S. Treasury Bills matured. The Directors are closely tracking the development of the worldwide economy and shall continue to seek investment opportunities with a cautious and prudent approach.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company did not have any acquisitions and disposals of subsidiaries, associates and joint ventures during the Year.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

The Company had not executed any agreement in respect of material investment or capital asset and did not have any other plans relating to material investment or capital asset as at the date of this report. Nonetheless, if any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the shareholders of the Company (the “Shareholders”) as a whole. The potential investment opportunities will be funded by internal resources, including the proceeds from the Rights Issue 2022 (as defined hereinbelow).

Management Discussion and Analysis

LOANS FROM A CONTROLLING SHAREHOLDER

In October and November 2020, the Company entered into two loan agreements with Everbright Goldstone International Group Limited (“Everbright Goldstone”, formerly known as Renown Future Limited), a controlling Shareholder (as defined in the Listing Rules) of the Company, pursuant to which Everbright Goldstone agreed to provide two loans to the Company in the principal amount of up to HK\$2,500,000 and HK\$10,000,000 respectively. The loans did not bear interest and were repayable within one year. As at 31 March 2021, HK\$3,500,000 has been drawn and used as working capital of the Company and the Company has unutilised loan amount of HK\$9,000,000 under the loan agreements with Everbright Goldstone.

In April and June 2021, the Company entered into loan extension agreements with Everbright Goldstone to extend the maturity dates of these loans to 31 December 2022. The drawdown period of the HK\$9,000,000 unutilised amount of the second loan was also extended to 31 December 2022. In December 2022, the Company entered into loan extension agreements with Everbright Goldstone to extend the maturity dates of these loans to 31 December 2023. The drawdown period of the HK\$8,500,000 unutilised amount of the second loan was also extended to 31 December 2023. In December 2023, the Company entered into loan extension agreements with Everbright Goldstone to further extend the maturity dates of these loans to 31 December 2024. The drawdown period of the HK\$8,500,000 unutilised amount of the second loan has also been extended to 31 December 2024. The first loan of principal amount of HK\$2,500,000 shall carry interest at Hong Kong Interbank Offered Rate for an interest period of 12 months after the extension of the loan maturity with effect from 29 April 2021. As at 31 March 2024, loans from Everbright Goldstone amounted to approximately HK\$4,030,000, which comprised principal amount of loans drawn of HK\$4,000,000 and accrued interest of approximately HK\$30,000. Save as disclosed above, the other terms and conditions of the loan agreements remained unchanged.

DIVIDEND

The directors of the Company (the “Directors”) did not recommend the payment of a dividend for the Year (2023: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2024, the Company had cash and bank balances of approximately HK\$18,057,000 (2023: approximately HK\$21,566,000). The Company had loans from a controlling Shareholder of approximately HK\$4,030,000 (2023: approximately HK\$4,021,000) (comprised principal amount of loans drawn of HK\$4,000,000 (2023: HK\$4,000,000) and accrued interest of approximately HK\$30,000 (2023: approximately HK\$21,000)) as at 31 March 2024 which were repayable on 31 December 2024. Details of the loans from a controlling Shareholder are disclosed in the section headed “Loans from a Controlling Shareholder” above. The gearing ratio of the Company as at 31 March 2024 was approximately 0.2 (2023: approximately 0.1), which was calculated based on the Company’s total borrowings to total assets.

Rights Issue 2022

On 6 January 2022, the Board proposed a rights issue (the “Rights Issue 2022”) on the basis of one rights share of the Company for every two existing ordinary shares of the Company (the “Shares”, each a “Share”) held on 26 January 2022 at the subscription price (the “Subscription Price”) of HK\$0.68 each, which was completed on 28 March 2022. The closing price of the Share was HK\$1.70 per Share on 6 January 2022, being the date on which the terms of the Rights Issue 2022 were fixed.

The Company was of the view that the Rights Issue 2022 would enable the Company to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs in contrary to other fund-raising alternatives available to the Company.

Management Discussion and Analysis

On 6 January 2022, the Company also entered into a placing agreement with Gransing Securities Co., Limited (the “Placing Agent”), pursuant to which the Placing Agent has conditionally agreed to procure placee(s) (the “Placee(s)”), on a best effort basis, to subscribe for the rights Shares that are not subscribed by the qualifying Shareholders of the Company under the Rights Issue 2022 (the “Unsubscribed Rights Shares”) and the rights Share(s) which would otherwise has/have been provisionally allotted to the excluded Shareholder(s) (the Shareholder(s) with registered address(es) outside Hong Kong which was/were not offered the rights Shares) in nil-paid form that has/have not been sold by the Company.

As disclosed in the announcement of the Company dated 28 March 2022, the Company received a total of 14 valid acceptances and applications under the provisional allotment letters in respect of a total of 1,971,250 rights Shares, representing approximately 2.28% of the total number of rights Shares available for subscription under the Rights Issue 2022. As at 5:00 p.m. on Friday, 25 March 2022, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, 62,500,000 Unsubscribed Rights Shares, representing approximately 26.34% of the issued Shares immediately upon completion of the Rights Issue 2022, were successfully placed at the placing price of HK\$0.68 per Share, representing nil premium over the Subscription Price, to independent Placees.

Accordingly, the gross proceeds and the net proceeds (after deducting expenses) raised from the Rights Issue 2022 (including the Placing) are approximately HK\$43.8 million and approximately HK\$41.7 million, respectively. On this basis, the net price per rights Share is approximately HK\$0.647 per Share.

On 29 March 2022, 64,471,250 Shares with an aggregate nominal value of HK\$6,447,125 were issued pursuant to the Rights Issue 2022.

Please refer to the prospectus of the Company dated 24 February 2022 (the “Prospectus”) and the announcements of the Company dated 6 January 2022, 17 March 2022 and 28 March 2022 for the details of the Rights Issue 2022.

The intended and actual use of proceeds from the Rights Issue 2022 up to 31 March 2024 is set out as follows:

Business objectives as stated in the Prospectus	Intended use of net proceeds from the Rights Issue 2022	Actual amount utilised up to 31 March 2024	Remaining unutilised balance as at 31 March 2024	Expected timeline for the unutilised net proceeds
	(HK\$ million)	(HK\$ million)	(HK\$ million)	
Repayment in full of a loan and related interests from a licensed money lender	5.1	5.1	–	N/A
Future investments and business development pursuant to the investment objectives of the Company	27.2	10.0	17.2	by 31 March 2025
General working capital of the Company	9.4	9.4	–	N/A
	41.7	24.5	17.2	

The unutilised net proceeds from the Rights Issue 2022 as at 31 March 2024, being approximately HK\$17.2 million were deposited with the licensed banks in Hong Kong.

Management Discussion and Analysis

As at the date of this annual report, the Board has no intention to change the planned use of the net proceeds as disclosed in the Prospectus and above. The expected timeline for using the unutilised net proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions. Further announcement(s) and/or disclosure in the Company's annual report(s) in respect of change in timeline, if any, will be made by the Company in accordance with the requirements of the Listing Rules as and when appropriate to update its Shareholders and potential investors.

Rights Issue 2024

On 1 February 2024, the Board proposed a rights issue (the "Rights Issue 2024") on the basis of one rights share of the Company for every two Shares held on 28 February 2024 at the subscription price of HK\$0.11 each, which was expected to be completed on 25 March 2024. The closing price of the Share was HK\$0.365 per Share on 1 February 2024, being the date on which the terms of the Rights Issue 2024 were fixed.

The Company was of the view that the Rights Issue 2024 would enable the Company to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs in contrary to other fund-raising alternatives available to the Company.

On 1 February 2024, the Company also entered into a placing agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed to procure placee(s), on a best effort basis, to subscribe for the rights Shares that are not subscribed by the qualifying Shareholders of the Company under the Rights Issue 2024 and the rights Share(s) which would otherwise has/have been provisionally allotted to the excluded Shareholder(s) (the Shareholder(s) with registered address(es) outside Hong Kong which was/were not offered the rights Shares) in nil-paid form that has/have not been sold by the Company.

On 14 March 2024, the Board considered, in view of, among other things, the conditions of the Rights Issue 2024 could not be fulfilled, the Company and the Placing Agent mutually agreed to terminate the Placing Agreement with immediate effect. The Placing Agreement was therefore terminated and was of no further effect and neither party should be under any liability to the other party in respect of the Placing Agreement. Please refer to the announcement dated 14 March 2024 of the Company for further details.

No securities have been issued by the Company under the Rights Issue 2024. The Rights Issue 2024 did not proceed and the Rights Issue 2024 lapsed.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Company held assets and liabilities denominated in Hong Kong Dollars ("HKD"), Renminbi and US Dollars ("USD"). The Company's cash and cash equivalents were denominated in HKD and USD. Accordingly, it is subjected to limited exposure of foreign exchange fluctuation. As it is the Company's policy to maintain relatively minimal exposure to foreign exchange risks, the Company had not used any derivatives and other instruments for currency exchange hedging purposes.

CHARGE ON COMPANY'S ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2024, there was no charge on the Company's assets nor any significant contingent liabilities (2023: Nil).

COMMITMENTS

The Company had no capital commitment as at 31 March 2024 (2023: Nil).

Management Discussion and Analysis

CAPITAL STRUCTURE

The capital structure of the Company is composed of equity and debt. As at 31 March 2024, the total number of ordinary shares of HK\$0.10 each in the Company in issue was 237,271,250 (2023: 237,271,250).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Company had 4 employees (2023: 5). The remuneration paid to the employees of the Company, during the Year amounted to approximately HK\$2,607,000 (2023: approximately HK\$3,132,000).

The Company's remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of the individual employees. The Company carries out regular review on the performance of employees to determine any salary adjustments, bonuses and promotions.

Details of the share option scheme are set out in the section headed "Share Option Scheme" under the "Report of the Directors" of this report.

The Company operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for those Hong Kong employees who are eligible to participate in the MPF Scheme. The Company and its employees are each required to make contributions pursuant to the MPF Scheme at 5% of the employees' monthly relevant income and capped at HK\$1,500 per month. The contributions made by the Company for the MPF Scheme are charged to the statement of profit or loss as they become payable in accordance with the relevant rules of the MPF Scheme.

The Company's contributions to the MPF Scheme vest fully and immediately with the employees. Accordingly, (i) during the Year, there was no forfeiture of contributions under the MPF Scheme (2023: Nil); and (ii) there were no forfeited contributions available for the Company to reduce its existing level of contributions to the MPF Scheme as at 31 March 2024 (2023: Nil).

During the Year, the Company did not have any other defined benefit plan for its employees (2023: Nil).

Corporate Governance Report

The Company is committed to the practice and high standards of corporate governance with a view to enhancing transparency, accountability and protecting the interest of the stakeholders.

During the year ended 31 March 2024 and up to the date of this report, the Company complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules.

CORPORATE CULTURE

The Company recognises that a good corporate culture is vital to its corporate governance and has gradually developed a pragmatic and prudent corporate culture since its establishment, which has been reflected in the overall operations and management of the Company, in order to facilitate the long-term sustainability of the Company. The Company advocates a high standard of business integrity throughout its operations and has no tolerance of corruption or bribery in any form. In order to establish a healthy corporate culture and promote high ethical standards within the Company, the Company has established an anti-corruption policy and a whistle-blowing mechanism. Employees at all levels are expected to conduct in an appropriate manner, with integrity, impartiality and honesty. Regarding the whistle-blowing mechanism, established control is in place as a private and confidential communication channel for external and internal parties to report suspicious fraudulent actions to the Company's management directly.

BOARD OF DIRECTORS

Composition

As at date of this report, the Board comprises eight directors of the Company whose names are listed below:

Executive Directors

Ms. Li Li (*appointed with effect from 25 April 2024*)

Ms. Chan Mei Yan (*resigned with effect from 31 May 2023*)

Non-Executive Directors

Mr. Huang Bin (*Chairman*)

Mr. Chen Huaiyuan

Mr. Lam King

Mr. Xu Lin

Independent Non-Executive Directors

Mr. Hung Hoi Ming Raymond

Mr. Ning Fong

Ms. Wan Yuk Ling

Biographical details of each Director are set out on pages 24 to 27 of this annual report. All independent non-executive Directors have complied with the provisions set out in Rule 3.13 of the Listing Rules. The Board is satisfied that the independence of the independent non-executive Directors up to the date of this report is in accordance with the Listing Rules.

The Company complied with Rules 3.10(1) and (2), and Rule 3.10A of the Listing Rules for the Year.

In compliance with Rule 3.09D of the revised Listing Rules which took effect from 31 December 2023, Ms. Li Li, who was appointed as an executive Director on 25 April 2024, obtained the legal advice referred to in Rule 3.09D on 22 April 2024, and Ms. Li Li has confirmed that she understood her obligations as a Director.

Each Director has entered into a service contract or letter of appointment (where applicable) setting out the key terms and conditions of their appointment.

Corporate Governance Report

Board independence

Pursuant to code provision B.1.4 of the CG Code, the Board established mechanism(s) to ensure independent views and input are available to the Board, in particular, (i) independent non-executive Directors are encouraged to actively participate in the Board meetings; (ii) the number of independent non-executive Directors must comply with the requirement under the Listing Rules; and (iii) the independent non-executive Directors shall commit to devote sufficient time and efforts to the Company's affair. Furthermore, the Directors are allowed to seek external independent professional advice in appropriate circumstances at the Company's expenses. The Board will review the implementation and effectiveness of such mechanism(s) on an annual basis.

Nomination Policy of Directors

The Company has adopted a nomination policy of Directors (the "Nomination Policy") which sets out the criteria and process in the nomination and appointment of Directors of the Company in order to nominate suitable candidates to the Board.

Pursuant to the Nomination Policy, the Company considers a number of criteria in evaluating and selecting candidates for directorships, including but not limited to (i) character and integrity; (ii) qualifications including professional qualifications; (iii) willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments; (iv) requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules; (v) board diversity policy of the Company and any measurable objectives adopted by the Board for achieving diversity on the Board knowledge and experience that are relevant to the Company's business and corporate strategy; and (vi) other perspectives appropriate to the Company's business.

The nomination committee of the Company (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. 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. The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship, as applicable. For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. Where appropriate, the Nomination Committee and/or the Board should make recommendation to the Shareholders in respect of the proposed election of Director at the general meeting.

The Nomination Committee will review the Nomination Policy periodically to ensure its continued effectiveness.

Corporate Governance Report

Responsibilities of Directors

The Board is accountable to the Shareholders for leadership and control of the Company and is collectively responsible for promoting the success of the Company and its businesses by directing and supervising the Company's affairs. The Board is responsible for developing strategies and monitoring business performance of the Company. It has formalised the functions reserved to the Board to achieve a clear division of the responsibilities of the Board and the management. The Board delegated its responsibilities to the executive Director and senior management to deal with day-to-day operations and reviewed those arrangements on a periodic basis. Every Director is kept informed of his/her responsibilities as a director of the Company under the laws of Hong Kong and the Listing Rules and of the conduct, business activities and development of the Company. All Directors have access to the advice and relevant information from the company secretary of the Company (the "Company Secretary") to ensure that procedures of the Board functions and all applicable rules and regulations are followed. All independent non-executive Directors also have independent access to the executive Director in respect of operating issues.

The Board is responsible for approving and implementing all the investment/divestment decisions and formulating the Company's overall investment strategies and guidelines in accordance with the investment objective and policies of the Company. The investment manager of the Company (the "Investment Manager") is appointed to provide investment management services to the Company. The Investment Manager is responsible for, inter alia, identifying, reviewing and evaluating suitable investment or divestment opportunities, assisting the Board in the execution of investment and divestment decisions and the monitoring of the investments of the Company. The Investment Manager will carry out reviews of the investment portfolio of the Company whenever the Board shall require and report its analysis to the Board.

A Director's handbook (the "Handbook") setting out the guidelines on the conduct which directors of a listed company should follow is issued to every Director. The Handbook also outlines the regulatory requirements of disclosing any relevant personal interest, change in personal particulars and potential conflict of interest to the Company and regulatory bodies including the Stock Exchange in a timely manner.

Directors are provided with complete, adequate explanation and information to enable them to make an informed decision or assessment of the Company's performance, position and prospects and to discharge their duties and responsibilities on a timely basis. The senior management also provides the Board with monthly updates so as to give the Directors a balanced and understandable assessment of the Company's performance, position and prospects. The Directors, to properly discharge their duties, are given access to independent professional advisers, when necessary, at the expense of the Company.

Relationship between Board members

There is no relationship (including financial, business, family or other material relationship) between the Board members.

Corporate Governance Report

Board and general meetings

The Board meets regularly and at least four Board meetings are scheduled annually. Ad-hoc meetings are convened when it considers necessary. Sufficient notice is served to all Directors before the Board meetings. All Directors are entitled to have access to Board papers and related materials at a reasonable time before the intended date of a Board or Board committee meeting unless there are restrictions on disclosure due to legal and regulatory requirements or other justifiable grounds, and are given the opportunity to include matters in the agenda.

Upon convening a Board meeting, drafts of agenda and relevant documents are sent to Directors for review and comment. The Company Secretary is responsible for taking and keeping minutes of all Board meetings and committee meetings. Such minutes are recorded in details for the matters considered by the participants of such meetings and decisions reached, including concerns raised by Directors and/or dissenting views expressed. The meeting minutes are circulated to relevant Directors or committee members within reasonable time after the meetings are held and taken as the true records of the proceedings of such meetings and are open for inspection at any reasonable time on reasonable notice by any Director. According to the current Board practice, any material transaction, which involves a conflict of interest of a substantial Shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. Individual is required to disclose the conflict of interest and abstain from voting on such matter in the final deliberation or decision.

The Board held five meetings in the Year, and the chairman and the independent non-executive Directors met at least once without the presence of the other Directors. The following is the attendance record of the Board meetings:

Name of Directors	No. of Meetings Attended/Held	Attendance Rate
<i>Executive Director</i>		
Ms. Chan Mei Yan (<i>resigned with effect from 31 May 2023</i>)	0/1	0%
<i>Non-Executive Directors</i>		
Mr. Huang Bin (<i>Chairman</i>)	5/5	100%
Mr. Chen Huaiyuan	5/5	100%
Mr. Lam King	5/5	100%
Mr. Xu Lin	5/5	100%
<i>Independent Non-Executive Directors</i>		
Mr. Hung Hoi Ming Raymond	5/5	100%
Mr. Ning Fong	5/5	100%
Ms. Wan Yuk Ling	5/5	100%

Corporate Governance Report

The Company held its annual general meeting (“AGM”) for the year ended 31 March 2023 (the “2023 AGM”) on 30 August 2023 during the Year. The chairman of the board, chairman of each committee and the external auditor all attended the AGM to answer any questions. Mr. Huang Bin hosted the 2023 AGM to ensure effective communication between the Shareholders, that an explanation was provided of the detailed procedures for conducting a poll and that any questions from shareholders on voting by poll were answered. The following is the Directors’ attendance record of the 2023 AGM:

Name of Directors	No. of AGM Attended/Held	Attendance Rate
<i>Executive Director</i>		
Ms. Chan Mei Yan (<i>resigned with effect from 31 May 2023</i>)	N/A	N/A
<i>Non-Executive Directors</i>		
Mr. Huang Bin (<i>Chairman</i>)	1/1	100%
Mr. Chen Huaiyuan	1/1	100%
Mr. Lam King	1/1	100%
Mr. Xu Lin	1/1	100%
<i>Independent Non-Executive Directors</i>		
Mr. Hung Hoi Ming Raymond	1/1	100%
Mr. Ning Fong	1/1	100%
Ms. Wan Yuk Ling	1/1	100%

CORPORATE GOVERNANCE

The Directors are fully indemnified against costs, charges, losses, expenses and liabilities that may be incurred by them during the course of execution and discharge of their duties or any matters in relation thereto. A Directors and Officers Liability Insurance policy for providing such indemnity has been arranged.

The independent non-executive Directors have the same duties of care and skill and fiduciary duties as the executive Director. The functions of the independent non-executive Directors include, but not limited to:

- participating in Board meetings to bring an independent judgement to bear on issues of corporate strategy, corporate performance, accountability, resources, key appointments and standard of conducts;
- taking the lead where potential conflicts of interests arise;
- serving and actively participating in committees, if invited;
- attending general meetings of the Company and developing a balanced understanding of the views of the Shareholders; and
- scrutinising the Company’s performance in achieving the agreed corporate goals and objectives and monitoring the reporting of performance.

Corporate Governance Report

The Board is also responsible for performing and had performed, during the Year, the corporate governance functions and duties of the Company to ensure compliance with the Listing Rules including:

1. formulating, developing and reviewing the Company's policies and practices on corporate governance;
2. reviewing the Director's Handbook distributed to the Directors and monitoring the adequacy of the training and continuous professional development of the Directors; and
3. reviewing the Company's compliance with the Listing Rules and disclosure in this corporate governance report.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge that it is their responsibilities to prepare financial statements of the Company for each financial period which give a true and fair view of the state of affairs of the Company and that the financial statements are prepared in accordance with the statutory and regulatory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Company. The Directors confirm that, to the best of their knowledge and, having made appropriate enquiries, the Company has adequate resources to continue in operational existence for the foreseeable future and has prepared the financial statements on a going concern basis accordingly.

AUDIT COMMITTEE

The Company has set up with written terms of reference an audit committee (the "Audit Committee") whose members are Ms. Wan Yuk Ling, Mr. Hung Hoi Ming Raymond and Mr. Ning Fong, all being independent non-executive Directors. Ms. Wan Yuk Ling is the chairman of the Audit Committee who possesses the appropriate professional qualification or accounting or related financial management expertise. The terms of reference of the Audit Committee are consistent with the relevant provisions of the CG Code.

The duties of the Audit Committee include reviewing all matters relating to the scope of audit, such as the financial statements, and providing supervision over the Company's financial reporting procedures and internal control system and risk management systems.

The Audit Committee held two meetings in the Year. The following is the attendance record of the meetings held by the Audit Committee for the Year:

Name of Committee Members	No. of Meetings Attended/Held	Attendance Rate
Ms. Wan Yuk Ling (<i>Chairman</i>)	2/2	100%
Mr. Hung Hoi Ming Raymond	2/2	100%
Mr. Ning Fong	2/2	100%

Corporate Governance Report

The duties performed by the Audit Committee during the Year are set out below:

1. reviewing and approving the financial statements and auditors' reports regarding the Company's annual and interim results for the Board's approval;
2. reviewing with the management and considering the accounting policies and practices adopted by the Company;
3. reviewing with the management the auditing, risk management, internal control and financial reporting matters of the Company; and
4. reviewing the work of the external auditors of the Company, evaluating their independence and performance, and making recommendation as to their appointment.

On 27 June 2024, after thorough review, discussion and consideration by the Audit Committee, the Audit Committee recommended to the Board:

1. to approve the audited financial statements for the Year together with the Report of the Directors and the Independent Auditor's Report before the announcement of the Company's annual results; and
2. to propose in the forthcoming AGM for re-appointing Crowe (HK) CPA Limited ("Auditors") as Auditors of the Company for the ensuing year and to hold office until conclusion of the AGM for the year ending 31 March 2025 at a fee to be agreed with the Directors.

The Audit Committee does not include a former partner of the existing Auditors of the Company.

The Audit Committee has been provided with sufficient resources to discharge its responsibilities. The terms of reference of the Audit Committee is available on the websites of the Stock Exchange and the Company.

REMUNERATION COMMITTEE

The Company has set up with written terms of reference a remuneration committee (the "Remuneration Committee") whose members are Mr. Huang Bin, being a non-executive Director, and Mr. Ning Fong and Mr. Hung Hoi Ming Raymond, both being independent non-executive Directors. Mr. Ning Fong is the chairman of the Remuneration Committee. The terms of reference of the Remuneration Committee are consistent with the relevant provisions of the CG Code.

The major role and functions of the Remuneration Committee are to formulate, review and deliberate on the remuneration policy and related matters of the Company. The Company's remuneration policy is in line with the prevailing market practices and each Director's remuneration and compensation package is determined primarily on the basis of performance and experience of the relevant Director.

Corporate Governance Report

The Remuneration Committee held one meeting in the Year. The following is the attendance record of the meetings held by the Remuneration Committee for the Year:

Name of Committee Members	No. of Meetings Attended/Held	Attendance Rate
Mr. Ning Fong (<i>Chairman</i>)	1/1	100%
Mr. Huang Bin	1/1	100%
Mr. Hung Hoi Ming Raymond	1/1	100%

During the Year, the Remuneration Committee has, amongst other things, made recommendations to the Board regarding the Company's remuneration policy and for the formulation and review of the specific remuneration package of all Directors and senior management of the Company assessed performance of executive Directors and approved the terms of executive Directors' service contracts.

The Remuneration Committee has been provided with sufficient resources to discharge its responsibilities. The terms of reference of the Remuneration Committee is available on the websites of the Stock Exchange and the Company.

NOMINATION COMMITTEE

The Company has set up with written terms of reference a Nomination Committee whose members are Mr. Huang Bin, being a non-executive Director, and Mr. Hung Hoi Ming Raymond and Mr. Ning Fong, both being independent non-executive Directors. Mr. Huang Bin is the chairman of the Nomination Committee. The terms of reference of the Nomination Committee are consistent with the relevant provisions of the CG Code.

The Nomination Committee is responsible for dealing with matters of appointment, retirement and re-election of the Directors. The Company's nomination policy is in line with the prevailing market practices and is determined primarily on the basis of performance and experience of each Director.

The Nomination Committee held one meeting in the Year. The following is the attendance record of the meetings held by the Nomination Committee for the Year:

Name of Committee Members	No. of Meetings Attended/Held	Attendance Rate
Mr. Huang Bin (<i>Chairman</i>)	1/1	100%
Mr. Hung Hoi Ming Raymond	1/1	100%
Mr. Ning Fong	1/1	100%

Corporate Governance Report

During the Year, the Nomination Committee had, among others, undertaken the following tasks:

1. reviewed the structure, composition and diversity of the Board;
2. made recommendations to the Board on the appointment of Director;
3. considered the re-election of the retiring Director by the Shareholders at the forthcoming AGM of the Company; and
4. considered the independence of the independent non-executive Directors.

The Nomination Committee has been provided with sufficient resources to discharge its responsibilities. The terms of reference of the Nomination Committee is available on the websites of the Stock Exchange and the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “Model Code”) set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all Directors, the Directors confirmed that they had complied with the required standards laid down in the Model Code throughout the Year.

DIRECTORS’ AND AUDITORS’ ACKNOWLEDGEMENT

The Audit Committee and the Board have reviewed the Company’s financial statements for the Year under review. The Directors have acknowledged their responsibility for preparing the accounts and presenting a balanced, clear and comprehensive assessment of the Company’s performance, position and prospects. The Directors are not aware of any material uncertainties relating to events or conditions that may cast doubt on the Company’s ability to continue as a going concern.

Crowe (HK) CPA Limited, Certified Public Accountants and the auditors of the Company for the Year have acknowledged their responsibilities in the “Independent Auditor’s Report” on pages 60 to 63 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining sound and effective risk management and internal control systems of the Company. The Company’s risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Main features of the risk management and internal control systems

The Company’s risk management and internal control systems are designed to achieve business objectives, safeguard the Company’s assets against unauthorised use or disposition, ensure compliance with applicable laws, rules and regulations and manage key risks that may impact the Company’s performance. The systems include a defined management structure with straightforward and clear reporting lines and authority limits. Other features include segregation of duties, proper maintenance of records, regular and timely financial reporting and performance review, establishment of a risk register for ongoing assessment and management of risks identified and allocation of sufficient resources for employees training and for seeking professional advice.

Corporate Governance Report

Process of risk management

An ongoing risk assessment and management approach is adopted by the Company for identifying, evaluating and managing the significant risks that could affect the achievement of its objectives. Risks are identified by analysing the business activities across different functional areas and levels of the Company and identifying the threats that the Company faces, including the strategic risks, financial risks and technology risks etc. It is followed by assessment of the significance and likelihood of the risks qualitatively and quantitatively. A risk matrix is adopted to determine risk rating (H = high risk, M = medium risk, L = low risk) after evaluation of the risk by the likelihood and the impact of the risk event. The risk ratings reflect the level of attention and the effort of risk management required. Based on the risk ratings, management prioritises the risk management resources and employs different risk management strategies such as prevention, transfer and mitigation to manage the risks identified.

Review of effectiveness of the internal control and risk management system

The Board acknowledges its responsibility for reviewing the effectiveness of the Company's risk management and internal control systems. During the Year, the Company has engaged a professional firm as an independent advisor to perform an annual review on the effectiveness of the risk management and internal control systems, covering the material financial, operational and compliance controls. The independent advisor developed an internal control review plan by prioritising review areas based on the risk assessment results, conducted interviews with the management and employees of the Company and evaluated and tested the Company's key internal control procedures. No significant weaknesses were identified and the internal control review report has been presented and reported to the Audit Committee. The Board and the Audit Committee have reviewed the internal control report issued by the independent advisor and considered the risk management and internal control systems effective and adequate.

The Company has conducted an annual review on whether there is a need for an internal audit department. In light of the Company's relatively simple corporate structure and operations, instead of diverting resources to establish a separate internal audit department, the Board, with the support of the Audit Committee, is responsible for risk management and internal control systems of the Company and for reviewing its effectiveness.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board has overall responsibility for the Company's environmental, social and governance strategy and reporting. The Board is responsible for the Company's ESG risk management and internal control systems to ensure that the ESG strategies and reporting requirements are met. Detailed information on the environmental, social and governance practices adopted by the Company is set out in sections headed "Environmental, Social and Governance Report" ("ESG Report") of this annual report.

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

With regard to the procedures and internal controls for the handling and dissemination of inside information, the Company is in compliance with the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). The Company's disclosure policy sets out internal guidance on disclosure of inside information to the public in a fair, timely and appropriate manner and the Board is responsible for approving the dissemination of the information of the Company. To ensure strict confidentiality of inside information, confidential information is only released to relevant persons on a need-to-know basis, confidentiality clauses are incorporated into the Company's agreements and non-disclosure agreements may be signed in certain circumstances. Other measures such as sending timely blackout period notification to the Directors and relevant employees of the Company to remind them of the required standards regarding securities dealing restrictions are also adopted by the Company.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE

The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should not be performed by the same individual. To ensure a balance of power and authority, the roles of chairman and the chief executive are separate and are not performed by the same individual to reinforce their independence and accountability. The Chairman and the chief executive of the Company (the “Chief Executive”) are two separate positions held by Mr. Huang Bin and Ms. Wang Biao (for the period from 1 April 2023 to 3 March 2024) respectively, with clear distinction in responsibilities. The Chairman provides leadership for the Board and overall strategic formulation for the Company. The Chief Executive has overall chief executive responsibility for the Company’s business development and day-to-day management generally. The code provision C.2.1 of the Code has therefore been complied with.

Since Ms. Wang Biao resigned as the Chief Executive with effect from 4 March 2024, the post of Chief Executive has been vacant. The Company is in the process of identifying a suitable candidate to fill the vacancy of the Chief Executive. The Company will make further announcement(s) in this regard as and when appropriate and in accordance with the requirements under the Listing Rules. The executive Director and the senior management have been delegated with the authority and responsibility by the Board for the day-to-day operations of the Company while reserving certain key matters for the approval by the Board. After evaluation of the current situation of the Company and considering of the board composition, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for such arrangement as it helps to maintain the continuity of the policies and the stability of the operations of the Company.

CONSTITUTIONAL DOCUMENTS

During the Year, there was no significant change in the Company’s constitutional documents.

TRAINING FOR DIRECTORS

According to the code provision C.1.4 of the CG Code, Directors should participate in continuous professional development to develop and refresh their knowledge and skills. The Company continuously updates the Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. The Company provides internal trainings and in-house briefings to the Directors to ensure awareness of the best corporate governance practices. The Company also periodically circulates reading materials relating to the general business, investment, or director’s duties and responsibility to all the Directors. Up to the date of this report, all Directors complied with code provision C.1.4 of the CG Code and have participated in relevant trainings and were provided with the above information for further development and update on their knowledge and skills, which in turn ensures that they could make adequate and suitable contributions to the Board.

COMPANY SECRETARY

Our Company Secretary, Mr. Leung Chung Man, who is an employee of the Company, had fulfilled the hours of training required under Rule 3.29 of the Listing Rules to perform the duties required. The appointment and removal of the Company Secretary are subject to the approval of the Board.

NON-EXECUTIVE DIRECTORS

The term of appointment of each non-executive Director is for a period for three years. Their appointments are subject to retirement by rotation and re-election at the AGM in accordance with the bye-laws of the Company (the “Bye-laws”).

AUDITOR’S REMUNERATION

For the year ended 31 March 2024, the remunerations paid or payable to Crowe (HK) CPA Limited in respect of its audit services and other services including agreed-upon procedures on interim results and rights issue are HK\$310,000 (2023: HK\$310,000) and HK\$200,000 (2023: HK\$60,000) respectively. Our Directors acknowledged their responsibility for preparing the accounts and a statement by the auditors about their reporting responsibilities.

Corporate Governance Report

AUDITORS

The financial statements of the Company for the year ended 31 March 2024 were audited by Crowe (HK) CPA Limited, who were appointed as the Company's auditor on 18 October 2018 to fill the casual vacancy arising from the retirement of East Asia Sentinel Limited on 15 August 2018.

DIVERSITY POLICY

The Company has a board diversity policy whereby it recognises and embraces the benefits of a diversity of Board members. The board diversity policy aimed to set out the approach to achieve diversity on the Board. In designing the Board's composition, board diversity has been considered from numbers of measurable aspects including gender, age, length of services, knowledge and professional industry background. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Company's diversity philosophy including the gender diversity was generally followed in the workforce throughout the Company for the year ended 31 March 2024. In respect of the gender diversity of the Board, as at the date of this report, six Directors are male and two Directors are female. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance, and sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. The Nomination Committee has developed measurable objectives to implement the board diversity policy and would monitor and review the progress in achieving these objectives periodically. Under the board diversity policy, the Company sets the target that the ratio of female Directors shall be maintained at 10% or more in the following years. The Company has achieved and will continue achieving this goal through active nomination of suitable candidates without gender limitation to the newly appointed Directors in the next few years.

The following tables further illustrate the diversity of the Board members as of the date of this report:

Name of Directors	Age Group		
	41–50	51–60	61–70
Ms. Li Li	✓		
Mr. Huang Bin (<i>Chairman</i>)		✓	
Mr. Chen Huaiyuan	✓		
Mr. Lam King			✓
Mr. Xu Lin			✓
Mr. Hung Hoi Ming Raymond	✓		
Mr. Ning Fong		✓	
Ms. Wan Yuk Ling		✓	

Name of Directors	Securities and finance industry	Marketing, public relations and media industry	Business development; Business consultation and advisory; Business management
Ms. Li Li	✓		
Mr. Huang Bin (<i>Chairman</i>)			✓
Mr. Chen Huaiyuan			✓
Mr. Lam King			✓
Mr. Xu Lin			✓
Mr. Hung Hoi Ming Raymond			✓
Mr. Ning Fong		✓	
Ms. Wan Yuk Ling	✓		

Corporate Governance Report

Moreover, during the Year, gender ratio of the Company workforce (including senior management) is eight males per three females as compared to seven males per five females of last year. Hence, the Company has already achieved gender diversity and will continue focusing on the area because workforce gender diversity is associated with resources that can provide a sustained competitive advantage to the Company, which include market insight, creativity and innovation, and improved problem-solving. Moreover, a gender diverse team produces high quality decisions. The Company will keep focusing on the workforce gender diversity to maintain its current strength as well as to further improve its competitiveness in the future.

SHAREHOLDER'S RIGHTS

Convening of Special General Meeting (the "SGM") on requisition

The following procedures are subject to the Bye-laws, the Bermuda Companies Act 1981 (the "CA") and applicable legislation and regulation.

1. Members of the Company (the "Members") holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, for the attention of the Company Secretary, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.
2. The written requisition must state the purposes of the general meeting, signed by the Member(s) concerned and may consist of several documents in like form, each signed by one or more of those Members.
3. If the requisition is in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements and the Bye-laws to all the registered Members. If the requisition is invalid, the Members concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.
4. The notice period to be given to all the registered Members for consideration of the proposal raised by the Member(s) concerned at a SGM varies according to the nature of the proposal, as follows: at least twenty-one (21) clear days' notice in writing if the proposal constitutes a special resolution of the Company, which cannot be amended (other than a mere clerical amendment to correct a patent error); and at least fourteen (14) clear days' in writing if the proposal constitutes an ordinary resolution of the Company.

Enquiries to the Board

Shareholders have been provided with contact details of the Company on the Company's website, such as telephone number, fax number and postal address, in order to enable them to make any enquiries that they may have with respect to the Company. They can also send their enquiries to the Board using these means. In addition, Shareholders can contact Union Registrars Limited, the Hong Kong branch share registrar of the Company, if they have any enquiries about their shareholdings and entitlements to dividend.

Corporate Governance Report

Putting forward proposals at general meetings

1. The Company is required to hold an AGM every year, and may hold a general meeting known as a SGM whenever necessary.
2. Shareholders holding (i) not less than one-twentieth of the total voting rights of all Shareholders having the right to vote at the general meeting of the Company; or (ii) not less than 100 Shareholders, can submit a written request stating the resolution intended to be moved at an AGM; or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.
3. The written request/statements must be signed by the Shareholders concerned and deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, for the attention the Company Secretary, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.
4. If the written request is in order, the Company Secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the Shareholders concerned have deposited a sum of money reasonably determined by the Board to be sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the Shareholders concerned in accordance with the statutory requirements to all the registered Shareholders. If the written request is invalid or the Shareholders concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Shareholders concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM; or the statement will not be circulated for the general meeting.

SHAREHOLDERS' COMMUNICATION POLICY

Purpose

The Company recognises the importance of providing current and relevant information to its Shareholders. This Shareholders' communication policy (the "Policy") aims to set out the provisions with the objective to ensure that the Shareholders and potential investors are provided with equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and potential investors to engage actively with the Company.

General Policy

The Board shall maintain an on-going dialogue with Shareholders and will regularly review the Policy on an annual basis to ensure its effectiveness.

Information is communicated to the Shareholders through periodic disclosure through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and other corporate publications on the Stock Exchange's website and corporate communications on the Stock Exchange website (www.hkex.com.hk) and the Company's website (<https://www.irasia.com/listco/hk/goldstone>).

Effective and timely dissemination of information to Shareholders shall be ensured at all times. Any questions, requests and comments can be addressed to the Company by mail to Room 1801A, 18/F, Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong or through the Company's share registrar.

Corporate Governance Report

The Company believes that communication with Shareholders by electronic means, particularly through its website, is an efficient way to distribute information in a timely and convenient manner. Shareholders are encouraged to access to the corporate communications posted on the Company's website to help reduce the quantity of printed copies and hence reduce the impact on the environment.

The Company's website will be updated with material posted to the HKEx website immediately thereafter. Such material includes but not limited to financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

Shareholders shall be provided with designated contacts, email addresses and enquiry lines of the Company in order to enable them to make any query in respect of the Company.

The Company has reviewed the Policy conducted for the year ended 31 March 2024 and considered that the Policy has been well implemented and effective in providing channels for Shareholders to communicate their views on various matters affecting the Company and for the Company to solicit and understand the views of the Shareholders.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"), pursuant to which the Company may declare and distribute dividends to the Shareholders to allow Shareholders to share the Company's profits and for the Company to retain adequate reserves for future growth.

The recommendation for the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the Shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia, the Company's financial results, the general financial condition of the Company, the Company's current and future operations, the level of the Company's debts to equity ratio, return on equity and the relevant financial covenants, liquidity position and capital requirement of the Company and any other factors that the Board deems appropriate. The Company's ability to pay dividends is also subject to the requirements of the Listing Rules and all relevant applicable laws, rules and regulations in Bermuda and Hong Kong and the memorandum of association and Bye-laws of the Company.

The Board will continually review the Dividend Policy and reserve the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTOR

Ms. Li Li (“Ms. Li”)

Ms. Li, aged 47, was appointed as an executive Director on 25 April 2024. She also serves as the chairman of the Investment Committee. She has more than 24 years of experience in the financial industry, involved in fields such as auditing, sales, investment and senior management. She understands the market regulatory environment and is familiar with the management operations of securities companies and related internal control risk management. She has been engaged in businesses related to fixed income, sales trading, bond investment banking and asset management for many years, and has accumulated extensive experience in business development, product design, customer resources and management.

Prior to joining the Company, Ms. Li served as the chief executive officer of Vered Asset Management Limited from November 2021 to October 2023 and was mainly responsible for managing client funds. From August 2015 to November 2021, she served as the deputy chief executive officer of GF Holdings (Hong Kong) Corporation Limited, where she was mainly responsible for investment activities related to asset management, sales transactions, structured products and bond underwriting. From February 2003 to August 2015, she served as an executive director and deputy general manager of the fixed income sales and trading department of GF Securities Co., Ltd. (a company listed on the Main Board of the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 776)), where she was mainly responsible for fixed income investment businesses.

Ms. Li holds a master’s degree in management (管理學碩士學位) from Jinan University and an Executive Master of Business Administration degree in management from the Hong Kong University of Science and Technology. She was a licensed person who is able to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities pursuant to the SFO, and obtained the professional qualifications of Certified Internal Auditors (CIA), Certified International Wealth Manager (CIWM) and Senior Economist.

NON-EXECUTIVE DIRECTORS

Mr. Huang Bin (“Mr. Huang”)

Mr. Huang, aged 58, was appointed as a non-executive Director on 11 October 2022. He also serves as the chairman of the Board, the chairman of the Nomination Committee, and a member of the Remuneration Committee. He has extensive professional experience in fund and asset management as well as investment banking and direct investments. Mr. Huang previously joined CITIC Securities and established CITIC Merchant Enterprise through cooperation, which is driven by specific projects and supported by market-oriented operation to identify a unique business model that integrates investment businesses with comprehensive financing services, thereby providing international corporate clients with comprehensive solutions. After years of experience in working abroad and as a visiting scholar, such as Crédit Agricole Corporate and Investment Bank in France, Yaxin Finance in Hong Kong and subsidiaries of Scoita Capital in Canada, Mr. Huang joined the Chinese General Chamber of Commerce and served as director. Meanwhile he served as executive vice chairman of the GBA Entrepreneurs Union and in charge of technology and financial sector as well. In order to give further play to the regional advantage of “Leveraging Hong Kong’s Advantages, Meeting the Country’s Needs”, Mr. Huang organised Mainland government-owned enterprises and Mainland local state-owned enterprises in Hong Kong to cooperate and promote the development of “Guangdong-Hongkong-Macau Bay Area” based on Hong Kong. Besides implementing the transformation of technological innovation and achievement, these funds focus on introducing advanced technologies, and incubating industries.

Biographical Details of Directors and Senior Management

From 19 March 2020 to 2 December 2021, Mr. Huang was the chairman and a non-executive director of Lamtex Holdings Limited (in liquidation), a company previously listed on the Main Board of the Stock Exchange (delisted, previous stock code: 1041). From 3 September 2019 to 16 October 2020, Mr. Huang was an executive director of GTI Holdings Limited (in liquidation), a company previously listed on the Main Board of the Stock Exchange (delisted, previous stock code: 3344). From 20 February 2022 to 13 March 2024, Mr. Huang held the position as the co-chairman and a non-executive director of China United Venture Investment Limited, a company listed on GEM of the Stock Exchange (stock code: 8159). Since January 2022, Mr. Huang has held the position as the co-chairman (as chairman from January 2022 to February 2022) and a non-executive director of China New Economy Fund Limited, a company listed on the Main Board of the Stock Exchange (stock code: 80). Since August 2022, he has also held the position as a non-executive director of YNBY International Limited (formerly known as Ban Loong Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 30). Mr. Huang is currently a director of CITIC International Assets Management Limited. Mr. Huang is also a founder of Goldstone Investment Management Limited, a private company principally engaged in investment management.

Mr. Huang graduated from the Department of Naval Architecture and Marine Engineering of Harbin Engineering University, and subsequently received the training from the European Economic Community Visiting Scholars Program and the business management training from Northwestern University in the United States of America.

Mr. Chen Huaiyuan (“Mr. Chen”)

Mr. Chen, aged 43, was appointed as a non-executive Director on 1 April 2022. He graduated with a Bachelor of Science degree and a Master of Arts degree from Duke University. He is also candidacy for a Doctor of Philosophy (Ph.D.) program at the University of Pennsylvania. Mr. Chen served as an assistant researcher of the Center of Asian and Globalisation in National University of Singapore from 2012 to 2017, responsible for important international collaborative research projects, promoting research collaboration between the school and other national think tank institutions (including China, Japan and Russia). From 2018 to 2020, Mr. Chen served as an independent consultant of Shandai Ltd, providing strategic advice to small and medium sized companies and scientific research institutions. Mr. Chen served as a consultant and director of CITIC Merchant Enterprise Management Limited from 2020 to 2021, and started to serve as its chairman of the board of directors in 2022.

Mr. Lam King (“Mr. Lam”)

Mr. Lam, aged 67, was re-designated from an independent non-executive Director to a non-executive Director (the “Re-designation”) on 1 August 2022 and ceased to be a member of each of the Audit Committee, Nomination Committee and Remuneration Committee with effect from 1 August 2022. He has been a Director since 1 April 2022. He was an independent non-executive Director before the Re-designation. Mr. Lam graduated from Xiamen University in 1980. He came to Hong Kong in 1986 and had since served as department manager, deputy general manager and general manager of Fujian Enterprises (Holdings) Co. Ltd., director of Fujian Enterprises (Holdings) Co. Ltd. and general manager of the Association Department. Mr. Lam had been engaging in business management and liaison between Hong Kong and the Mainland for more than 30 years. He has also served as a member of the Election Committee for the Hong Kong Special Administrative Region (“HKSAR”) Legislative Council and Chief Executive, and a member of the Hong Kong National People’s Congress Election Committee. In 2015, he was awarded the Medal of Honor by the Government of the HKSAR. Mr. Lam was an independent non-executive director of China New Economy Fund Limited, a company listed on the Main Board of the Stock Exchange (stock code: 80) from 13 January 2022 to 17 July 2022.

Biographical Details of Directors and Senior Management

Mr. Xu Lin (“Mr. Xu”)

Mr. Xu, aged 63, was appointed as a non-executive Director on 1 December 2022. He graduated from Xian Political College, the PRC with a degree of Bachelor of Laws and held a Postgraduate Certificate in Business Administration from The Capital University of Economics and Business in the PRC. Mr. Xu is currently a non-independent director of Yunnan Jinggu Forestry Co., Ltd. (“Yunnan Jinggu”), a company listed on the Shanghai Stock Exchange (stock code: 600265). Mr. Xu has extensive working experience and experience in policy making. He worked as a director of business development of CITIC Limited, a company listed on the Main Board of the Stock Exchange (stock code: 267), the vice-president of Kaisa Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1638) and the chairman of Kaisa Financial Group Company Limited, the senior vice-president and the president of China of Chow Tai Fook Enterprises Limited, and a general manager of Chow Tai Fook Investment Limited (周大福投資有限公司). With the exposure to various positions, Mr. Xu has solid foundation in economic theory and rich experience in management. Mr. Xu is also the vice-chairman of Enterprise Directors Association of Guangdong-Hong Kong-Macau Greater Bay Area and a member of the Social Development Expert Group of the Chief Executive’s Policy Unit Expert Group.

Since October 2020, Mr. Xu has held the position as a non-executive director of Hao Tian International Construction Investment Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1341). Since December 2022, Mr. Xu has held the position as an independent non-executive director of Mei Ah Entertainment Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 391).

From April 2020 to February 2021, Mr. Xu was an executive director and the executive vice chairman of DTXS Silk Road Investment Holdings Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 620). From March 2020 to July 2020, he was an independent non-executive director of Lamtex Holdings Limited (in liquidation), a company previously listed on the Main Board of the Stock Exchange (delisted, previous stock code: 1041). From October 2019 to March 2020, Mr. Xu was an executive director of Zhaobangji Lifestyle Holdings Limited (formerly known as Zhaobangji Properties Holdings Limited), a company listed on the Main Board of the Stock Exchange (stock code: 1660). From March 2022 to December 2022, Mr. Xu was an independent non-executive director of China United Venture Investment Limited, a company listed on GEM of the Stock Exchange (stock code: 8159). From December 2020 to March 2024, Mr. Xu held the position as the chairman of Yunnan Jinggu.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Hung Hoi Ming Raymond (“Mr. Hung”)

Mr. Hung, aged 43, was appointed as an independent non-executive Director on 1 August 2022. He also serves as a member of each of the Audit Committee, Nomination Committee and Remuneration Committee. He has about 18 years of experience in corporate finance, listings, restructurings, mergers and acquisitions and investment. He graduated from York University in Toronto, Canada with a bachelor degree in information technology in 2005. Mr. Hung also obtained a master degree in global finance from the Hong Kong University of Science and Technology and the New York University Stern School of Business in 2011.

Biographical Details of Directors and Senior Management

Mr. Hung worked at various private and listed companies. He started off as an analyst at Joy Silver Limited in November 2005 and advised on a range of matters such as mergers and acquisitions. He served as the vice president of finance in Alpine Summit Energy Partners, Inc. (stock code: ALPSU), whose shares have been listed on the TSX Venture Exchange since 2014, for the period from April 2013 to February 2016, during which he worked on matters such as restructurings. Mr. Hung joined China Success Finance Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3623) as an executive director from September 2017 to September 2018. Mr. Hung has been an executive director of First Seafront International Capital Limited since August 2019, where he is responsible for a number of duties, including facilitating overseas mergers for PRC enterprises. Mr. Hung was an independent non-executive director of Wai Chun Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1013) from 16 June 2022 to 22 August 2022. Mr. Hung was an independent non-executive director of Wai Chun Bio-Technology Limited, a company listed on the Main Board of the Stock Exchange (stock code: 660), from 9 January 2023 to 9 August 2023.

Mr. Ning Fong (“Mr. Ning”)

Mr. Ning, aged 56, was appointed as an independent non-executive Director on 11 October 2022. He also serves as the chairman of the Remuneration Committee, and a member of each of the Audit Committee and Nomination Committee. He graduated from the Guangzhou Institute of Foreign Languages, the PRC in 1990 with a degree of Bachelor of English Language and Literature. Mr. Ning obtained a Master Degree of Journalism from the School of Journalism and Communication from Jinan University in 2006 and a Master of Business Administration (MBA) from the School of Business, Sun Yat-sen University in 2011.

Mr. Ning has over 30 years of experience in the media industry in Hong Kong and the PRC, including being the chief reporter of Guangzhou Information Times from 1990 to 1996, a local news reporter and assistant to the president of Wen Wei Po in Hong Kong from 1997 to 2001, and a news commentator of Phoenix Infonews Channel from 2001 to 2002. From 2003 to 2007, Mr. Ning held various positions in the group of Asia Television Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 707), including the deputy head and the head of office of the chief executive officer of Asia Television Limited, and the deputy general manager of ATV CEPA Promotion Limited. From 2008 to 2011, Mr. Ning held various positions at the group of Xin Kuai Bao (新快報), including deputy general manager of Guangdong Xin Kuai Bao (廣東新快報) and deputy general manager of Australian New Express Daily. From 2012 to 2022, Mr. Ning was the executive vice president and vice president of Hong Kong Satellite TV International Media Group.

Ms. Wan Yuk Ling (“Ms. Wan”)

Ms. Wan, aged 51, was appointed as an independent non-executive Director on 31 December 2022. She also serves as the chairman of the Audit Committee. She is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Ms. Wan has approximately 15 years of experience in investment banking, asset management and equity capital markets. From June 2020 to November 2022, Ms. Wan held the positions as the chief operating officer and a responsible officer at Theia Securities Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO; and was primarily responsible for overseeing the operations, settlement and finance department, credit risk management of margin financing business and managing securities portfolio workflow. Since September 2023, Ms. Wan has held the position as a responsible officer at Easy One Asset Management Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

From October 2002 to May 2020, Ms. Wan worked at various corporations which are licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and/or Type 9 (asset management) regulated activities under the SFO.

Report of the Directors

The Directors are pleased to present their report and the audited financial statements of the Company for the Year, which were approved by the Board on 27 June 2024.

PRINCIPAL ACTIVITIES

The Company is an investment company incorporated on 15 April 2003 with limited liability as an exempted company in Bermuda. The Company is principally engaged in investing in listed and unlisted enterprises established in Hong Kong and the PRC with potential for earnings growth and capital appreciation.

BUSINESS REVIEW

The business review of the Company for the year ended 31 March 2024 is provided in the Management Discussion and Analysis section of this annual report.

The Company is committed to complying with and had complied with during the Year all environmental and social policies and other relevant laws and regulations relating to its business operating environment. The Company encourages its employees to understand, comply with and keep themselves abreast of the laws, rules and regulations applicable to their positions and the business operations of the Company. Trainings were offered to the employees from time to time to equip them with professional knowledge and to enable them to handle possible challenges ahead. The Board realises the importance of fostering loyalty and mutual trust with its employees and other stakeholders as a good relationship is instrumental to the sustainable development of the business of the Company. The Board considers that the Company has overall maintained a good relationship with its employees and other stakeholders that have significant impacts on the Company and on which its success depends. The Environmental, Social and Governance Report set out on pages 35 to 59 of this annual report provides a review on the steps taken and efforts and performance made to achieve the above purposes. The Corporate Governance Report set out on pages 9 to 23 of this annual report also provides a review on the Company's corporate governance performance during the Year.

FINANCIAL RESULTS

The loss and cash flows of the Company for the year ended 31 March 2024 and the financial position of the Company as at 31 March 2024 are set out in the financial statements on pages 64 to 101.

DIVIDEND

The Directors do not recommend the payment of a dividend for the Year (2023: Nil).

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on 16 August 2024.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Company for the last five financial years is set out on page 102. This summary does not form part of the audited financial statements.

RESERVES

Details of movements in the reserves of the Company during the Year are set out in the statement of changes in equity on page 66.

DISTRIBUTABLE RESERVES

The Company has no distributable reserve as at 31 March 2024, pursuant to the Companies Act of Bermuda.

Report of the Directors

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to Shareholders by reason of their holdings of the Company's securities.

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year are set out in Note 15 to the financial statements.

DONATIONS

The Company did not make any donations for charitable or other purposes during the Year (2023: Nil).

PURCHASE, SALE OR REDEMPTION OF OWN SHARES

Save as disclosed herein, the Company did not purchase, sell or redeem any of its shares during the Year.

COMPETING INTERESTS

As at 31 March 2024, in so far as the Directors were aware, none of the Directors or their respective associates had any interest in a business apart from the Company's business that competed or was likely to compete, either directly or indirectly, with the businesses of the Company.

SHARE OPTION SCHEME

The Company did not maintain any share option scheme during the Year.

EQUITY-LINKED AGREEMENT

Save as disclosed herein, no equity-linked agreement was entered into during the Year or subsisted at the end of the Year.

DIRECTORS

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

Executive Directors

Ms. Li Li (*appointed with effect from 25 April 2024*)

Ms. Chan Mei Yan (*resigned with effect from 31 May 2023*)

Non-Executive Directors

Mr. Huang Bin (*Chairman*)

Mr. Chen Huaiyuan

Mr. Lam King

Mr. Xu Lin

Independent Non-Executive Directors

Mr. Hung Hoi Ming Raymond

Mr. Ning Fong

Ms. Wan Yuk Ling

The terms of office for all Directors are subject to retirement by rotation and re-election at the AGM in accordance with the Bye-laws. In accordance with Bye-laws 113(A) of the Bye-laws, Mr. Lam King, Mr. Hung Hoi Ming Raymond and Ms. Wan Yuk Ling will retire at the forthcoming AGM and being eligible, offer themselves for re-election at the forthcoming AGM. In accordance with Bye-laws 117 of the Bye-laws, Ms. Li Li shall hold office only until the first annual general meeting of the Company after her appointment and shall then be eligible to offer herself for re-election at the forthcoming AGM.

Report of the Directors

The Company has received the confirmations of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules and in the opinion of the Directors having regard to the assessment of their independence by the Nomination Committee, they remain to be considered as independent.

CHANGES IN INFORMATION OF THE DIRECTORS

The changes in the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

- (i) with effect from 31 May 2023, Ms. Chan Mei Yan resigned as an executive Director, the chairman of the Investment Committee and the Authorised Representative;
- (ii) with effect from 31 May 2023, Mr. Lam King was appointed as the Authorised Representative; and
- (iii) with effect from 25 April 2024, Ms. Li Li was appointed as an executive Director and the chairman of the Investment Committee.

Save as disclosed, there is no change to any information required to be disclosed in relation to any Directors pursuant to paragraphs (a) to (e) and (g) under Rule 13.51(2) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Investment management agreement

In May 2020, the Company entered into the Investment Management Agreement with INV Advisory Limited, of which Ms. Chan Mei Yan, a former executive Director, is also its director. Details of the Investment Management Agreement are set out in the "Connected Transactions" section below and in Note 20(c) to the financial statements. With effect from 31 May 2023, the Investment Management Agreement expired.

Lease agreements

In December 2022, Company entered into a lease agreement with China State Ventures Group Limited ("China State"), of which Mr. Huang Bin, a non-executive Director, is also its director. In December 2023 and March 2024, Company entered into another lease agreements with China State. Details of the lease agreements are set out in the "Connected Transactions" section below and in Note 20(c) to the financial statements.

Save as disclosed above, no transaction, arrangement or contract of significance in relation to the Company's business to which the Company was a party, and in which any Director or entity connected with the Director had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the Year was the Company a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Report of the Directors

PERMITTED INDEMNITY PROVISION

The Bye-laws provide that the Directors are entitled to be indemnified out of the assets of the Company against all losses or liabilities which they may sustain or incur in their respective offices. During the Year, appropriate directors' and officers' liabilities insurance coverage had been arranged in respect of legal action that might be taken against the Directors and officers of the Company.

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

As at 31 March 2024, none of the Directors are aware that the Directors, Chief Executive and their associates had any interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the SFO) that was required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO and the Model Code as contained in the Listing Rules.

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

As at 31 March 2024, as far as the Directors are aware, the Company had been notified of the following substantial Shareholders' interests or short positions in the shares and underlying shares in the Company (representing 5% or more of the Company's issued share capital) which were recorded in the register maintained by the Company under Section 336 of the SFO:

Name of substantial Shareholder	Capacity	Long/short position	Number of shares	Approximate percentage of existing shareholding (Note 3)
Everbright Goldstone International Group Limited (formerly known as "Renown Future Limited")	Beneficial owner	Long position	88,129,080	37.14%
Treasure Isle Global Limited	Beneficial owner	Long position	25,954,878 (Note 1)	10.94%
Li Bohan ("Mr. Li")	Interest of a controlled corporation	Long position	25,954,878 (Note 1)	10.94%
Zhang Jianming ("Mr. Zhang")	Interest of a controlled corporation	Long position	25,954,878 (Note 1)	10.94%
Gold Pond International Limited ("GPIL")	Beneficial owner	Long position	23,600,000 (Note 2)	9.95%
Sunwah Tongfang Limited	Interest of a controlled corporation	Long position	23,600,000 (Note 2)	9.95%
Luo Yan ("Ms. Luo")	Interest of a controlled corporation	Long position	23,600,000 (Note 2)	9.95%
DT Capital Limited	Beneficial owner	Long position	21,500,000	9.06%

Report of the Directors

Notes:

1. Treasure Isle Global Limited is a company incorporated in the British Virgin Islands and is beneficially owned as to 50% by Mr. Li and 50% by Mr. Zhang. Each of Mr. Li and Mr. Zhang is deemed to be interested in the 25,954,878 Shares held by Treasure Isle Global Limited under Part XV of the SFO.
2. GPIL is beneficially owned as to 100% by Sunwah Tongfang Limited. Sunwah Tongfang Limited is beneficially owned as to 100% by Ms. Luo.
3. The percentage of shareholding is calculated on the basis of 237,271,250 shares in the Company in issue as at 31 March 2024.

MANAGEMENT CONTRACTS

In May 2020, the Company entered into the Investment Management Agreement with INV Advisory, of which Ms. Chan Mei Yan, a former executive Director, is also its director. Details of the Investment Management Agreement are set out in the “Connected Transactions” section below and in Note 20(c) to the financial statements. Save as disclosed above, no contracts concerning the management and administration of the whole or any substantial parts of the business of the Company were entered into or existed during the Year.

CONNECTED TRANSACTIONS

Investment management agreement

On 29 May 2020, the Company entered into the Investment Management Agreement with INV Advisory, pursuant to which INV Advisory has agreed to provide non-discretionary investment management services to the Company at an investment management fee of HK\$1,620,000 per annum for a period of three years commencing from 1 June 2020.

The Investment Manager is regarded as a connected person of the Company under Rule 14A.08 of the Listing Rules. Accordingly, the transactions under the Investment Management Agreement constituted continuing connected transactions of the Company. During the Year, the investment management fee paid to INV Advisory under the Investment Management Agreement amounted to HK\$270,000. Since each of the applicable percentage ratios under Rule 14.07 of the Listing Rules (as appropriate) on an annual basis is less than 25% and the total consideration is less than HK\$10,000,000, the transaction contemplated under the Investment Management Agreement was not subject to the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. For details, please refer to the announcement of the Company dated 29 May 2020.

The Investment Management Agreement expired on 31 May 2023. For details, please refer to the announcement of the Company dated 1 June 2023.

Custodian Agreement

The Company appointed DBS Bank Ltd, (“DBS”) as its custodian under a custodian agreement (the “Custodian Agreement”) that took effect from 1 December 2010 in respect of, among others, the safe custody of cash and documents of title, physical settlement of the securities in the investment portfolio of the Company and the collection of dividends and other entitlements in respect of such securities. The Custodian Agreement would continue in full force until terminated by either the Company or DBS by giving to the other not less than three months’ advance notice in writing.

Pursuant to the Custodian Agreement, a custody fee at the rate of 0.125% per annum of the average month-end balance, with minimum US\$500 per month, of the aggregate value of the investments deposited by the Company with DBS (subject to revision as notified by the DBS to the Company from time to time with the approval of the Company in accordance with the terms set out in the Custodian Agreement) is payable by the Company to DBS for the provision of securities custodian services.

DBS is regarded as a connected person of the Company under Rule 14A.08 of the Listing Rules. Accordingly, the transactions under the Custodian Agreement constituted continuing connected transactions of the Company.

Report of the Directors

During the Year, the aggregate amount of custody fee paid to DBS amounted to approximately HK\$47,000. Since each of the applicable percentage ratios under Rule 14.07 of the Listing Rules (as appropriate) on an annual basis is less than 5% and the total consideration is less than HK\$3,000,000, the transaction contemplated under the Custodian Agreement was not subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Lease Agreements

On 1 December 2022, the Company entered into a lease agreement with China State whereby the Company has obtained the right to use properties as its offices for a term of one year commencing from 1 December 2022 at a monthly rent of HK\$100,000 (the "Lease Agreement 2022"). On 1 December 2023, the Company entered into a lease agreement with China State whereby the Company has obtained the right to use properties as its offices for a term of three months commencing from 1 December 2023 at a monthly rent of HK\$75,000 (the "Lease Agreement 2023"). On 1 March 2024, the Company entered into a lease agreement with China State whereby the Company has obtained the right to use properties as its offices for a term of one year commencing from 1 March 2024 at a monthly rent of HK\$75,000 (the "Lease Agreement 2024", together with the Lease Agreement 2022 and the Lease Agreement 2023, the "Lease Agreements").

Mr. Huang, a non-executive director, is also a director of China State. Mr. Huang is regarded as a connected person of the Company under 14A.07. Accordingly, the transactions under the Lease Agreements constituted continuing connected transactions of the Company.

During the Year, the aggregate amount of rental expense paid to China State amounted to HK\$1,100,000. Since each of the applicable percentage ratios under Rule 14.07 of the Listing Rules (as appropriate) on an annual basis is less than 5% and the total consideration is less than HK\$3,000,000, the transaction contemplated under the Lease Agreements was not subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The independent non-executive Directors had reviewed the above continuing connected transactions respectively contemplated under the Investment Management Agreement, the Custodian Agreement and the Lease Agreements (each a "Transaction" and collectively, the "Transactions") for the Year and confirmed that each of the Transactions have been entered into:

- (i) in the ordinary and usual course of the Company's business;
- (ii) on normal commercial terms;
- (iii) (as regards the Investment Management Agreement) in accordance with the Investment Management Agreement on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole;
- (iv) (as regards the Custodian Agreement) in accordance with the Custodian Agreement on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and
- (v) (as regards the Lease Agreements) in accordance with each of the Lease Agreements on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Company's auditor was engaged to report on the Company's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued their unqualified letter containing the auditor's findings and conclusions in respect of the continuing connected transactions disclosed by the Company on pages 32 to 34 of this report in accordance with Rule 14A.56 of the Listing Rules.

Report of the Directors

The Company confirms that the above connected transactions have complied with the relevant requirements under Chapter 14A of the Listing Rules. Save as disclosed above and in note 20 of the financial statements of the Company for the Year, none of the related party transactions constitute a connected transaction or a continuing connected transaction as required to be disclosed under the Listing Rules.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights in respect of the shares of the Company under the Bye-laws of the Company although there are no restrictions against such rights under the laws of Bermuda. There is no information necessary to enable Shareholders to obtain any relief from taxation to which they are entitled by reason of being the Company's Shareholder.

AUDIT COMMITTEE

The Company has established an Audit Committee in accordance with Rule 3.21 of the Listing Rules for the purpose of, among other duties, reviewing and providing supervision over the Company's financial reporting procedures and internal control system. The Audit Committee, comprising all three independent non-executive Directors, namely Ms. Wan Yuk Ling (chairman of the Audit Committee who possesses the appropriate professional qualification or accounting or related financial management expertise), Mr. Hung Hoi Ming Raymond and Mr. Ning Fong, had reviewed with the management of the Company the audited financial statements of the Company for the Year.

EVENTS AFTER THE REPORTING PERIOD

Appointment of Executive Director and Chairman of Investment Committee

Ms. Li Li appointed as an executive Director of the Company and the chairman of the Investment Committee with effect from 25 April 2024. For details, please refer to the announcement of the Company dated 25 April 2024.

Save as disclosed, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2024 and up to the date of this report.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, there is sufficient public float of more than 25% of the issued share capital of the Company as required under the Listing Rules as at the date of this annual report.

AUDITORS

Crowe (HK) CPA Limited, Certified Public Accountants, was appointed as the auditors of the Company for the Year. The financial statements of the Company for the Year have been audited by Crowe (HK) CPA Limited who will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment at a fee to be agreed by the Board.

There has been no change in auditors of the Company in the preceding three years.

By order of the Board

Huang Bin
Chairman

Hong Kong, 27 June 2024

Environmental, Social and Governance Report

ABOUT THIS REPORT

This environmental, social and governance (“ESG”) report (“ESG Report”) of Goldstone Capital Group Limited (the “Company” or “We”) is designed to allow the Shareholders, investors (including potential investors) of the Company and the public to have a more comprehensive and profound understanding of the work done on the ESG issues of the Company for its financial year ended 31 March 2024 (the “Reporting Year”). This report elaborates our philosophy and practices in respect of social responsibility and the achievements we have made in economic, environment and social aspects. The Company primarily adopts the principles and basis of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix C2 to the Listing Rules as its standards, with an aim to establishing a sound environmental, social and governance structure. For information on the Company’s corporate governance, please refer to the “Corporate Governance Report”.

REPORTING SCOPE

The ESG Report covers the Reporting Year, which is in conformity with the Company’s financial year. The ESG Report sets out the ESG obligation, ESG governance structure, performance and initiatives of the Company. In particular, the Key Performance Indicators (“KPIs”) of environmental and social aspect disclosed in the ESG Report covers our operating office in Hong Kong. The scope of the Report is consistent with that of last year.

REVIEW AND APPROVAL

The Board confirms that they have the responsibility to ensure the integrity of this ESG Report, and to their best knowledge, the ESG Report expounds all relevant important issues and fairly presents the ESG performance of the Company. This ESG Report was reviewed and approved by the Board on 27 June 2024.

REPORTING PRINCIPLES

The ESG Report has been prepared with reference to the requirements set out in the ESG Reporting Guide as set out in Appendix C2 to the Listing Rules. The sustainability disclosure and content of the report adhere to the principles of “materiality”, “quantitative”, “balance” and “consistency”.

The table below outlining the reporting principles we adhere to:

Materiality	We focus on issues that have significant impact on our business and are important to our stakeholders. Material issues are identified through a series of stakeholder engagement activities and are validated.
Quantitative	KPIs are disclosed in a measurable manner with sufficient description on the changes.
Balance	The ESG Report provides stakeholders with an unbiased picture of the Company’s ESG related performance.
Consistency	The same methodologies are adopted throughout the Reporting Year.

Environmental, Social and Governance Report

THE BOARD'S COMMITMENT AND SUSTAINABILITY GOVERNANCE

The Company is committed to fulfilling stakeholders' expectations on our ESG practices. A designated ESG function has been established to show our dedication to incorporate ESG elements into our business operations. The ESG function, comprising the senior management of the Company, was set up to monitor and manage the ESG affairs, with the cooperation of each department of the Company.

The Board believes that a sound environmental, social and governance structure is vital for the sustainability and continued development of the Company. The Company is willing to take more responsibilities for the society but with a view to balancing the Shareholders' interests and the society's benefits.

We will continue to strengthen our efforts in information collection for better performance in the ESG areas and broader disclosure of related information in sustainable development. We welcome any comments and suggestions on this report as well as the Company's performance in sustainability development.

ESG GOVERNANCE STRUCTURE

The Company has established an ESG governance structure by top-down approach with clear division of responsibility. Under the governance of the Board, the senior management is responsible for the sustainable development of the Company, and there is an ESG Working Group under which to be responsible for following up and implementing the Company's ESG work, and further strengthening the systematic and standardised management of ESG work.

Duties and Responsibilities

The Board of Directors (the "Board")

- Formulate the ESG management approach, strategies, priorities, and objectives of the Company;
- Ensure that there is appropriate and effective ESG management and internal control system;
- Evaluate and determine the ESG-related risks and opportunities of the Company;
- Coordinate the Company's ESG performance, listening to the major ESG work reported by the ESG Working Group, and reviewing the achievement of the annual ESG key objectives; and
- Approve the Company's disclosure in the ESG Report.

Environmental, Social and Governance Report

Senior Management:

CEO and Executive Directors

- Accountable to the Board and reports to the Board on major issues related to ESG work;
- Guide the Company's ESG work and evaluate the risks and opportunities it faces, report to the Board on the suitability and effectiveness of the ESG work, and make recommendations;
- Review the Company's ESG strategy, including identification, assessment and management of ESG risks and material issues, and provide supporting information to the Board;
- Review and supervise the Company's ESG policy, management and progress on target achievements, report to the Board and make recommendations;
- Review the ESG reports of the Company, report to the Board and make recommendations; and
- Set specific targets and goals for improving ESG performance.

ESG Working Group:

Mid-level Management and Operating Staff

- Responsible for daily liaison and implement ESG-related decisions made by senior management;
- Draft the ESG policies and objectives, implement relevant plans, carry out ESG work, and report the progress to senior management;
- Coordinate the communication with ESG stakeholders and information disclosure; and
- Convene ESG meetings.

STAKEHOLDERS COMMUNICATION AND ENGAGEMENT

Engaging stakeholders is an integral aspect of the Company's business management, as it allows for the assessment of potential risks and business opportunities. Our key stakeholders include investors, employees, suppliers, regulatory authorities and community. Communications with stakeholders enable the Company to better understand their views and to bring business practices closer to their needs and expectations, so as to properly manage the views of different stakeholders.

The Company constantly communicates with key stakeholders within and outside the Company through various channels. This ensures that they are given an opportunity to understand the development and operating directions of the Company, as well as the opportunities for the Company to listen to their opinions in order to prioritise different issues, and to develop corresponding policies.

In accordance with the assessment result regarding significance to the influence from and on the Company, we made a list of key stakeholders and determined the degree and range for their participation in corporate governance, management and decision-making.

Environmental, Social and Governance Report

Stakeholders	Topic raised	Communication, understanding and responses to stakeholders
Investors	<ul style="list-style-type: none"> • Corporate governance; • Business strategies and performance; • Investment returns; • Information transparency; • Risk management; • Competence and quality of the management. 	<ul style="list-style-type: none"> • Shareholders' meeting; • Financial reports or announcements for investors; • Media and analysts; • Continuously identify and assess risks, formulate relevant measures to enhance the level of corporate governance and risk management; • Regularly disclose business updates and ESG information and performance.
Employees	<ul style="list-style-type: none"> • Humanity; • Health and safety; • Career development; • Labour rights; • Working environment. 	<ul style="list-style-type: none"> • Performance management; • Organise employee training and improve the career promotion mechanism; • Attention to occupational health and safety; • Improve the remuneration system and welfare mechanism.
Suppliers	<ul style="list-style-type: none"> • Product/service quality; • Integrity; • Company's core value and its public image. 	<ul style="list-style-type: none"> • Improve supplier management mechanism, including management of ESG-related risks; • Contractual obligations are in place; • Establish a platform to communicate with suppliers.
Regulatory Authorities	<ul style="list-style-type: none"> • Compliance with laws and regulations; • Sound development of the market; • Social welfare. 	<ul style="list-style-type: none"> • Correspondence; • Telephone conversation; • Regulatory filings; • Study of relevant research and consultation papers issued by the regulators.
Community	<ul style="list-style-type: none"> • Social welfare activities; • Environmental protection; • Employment opportunities. 	<ul style="list-style-type: none"> • Volunteer activities; • Provide local employment opportunities; • Charitable donation.

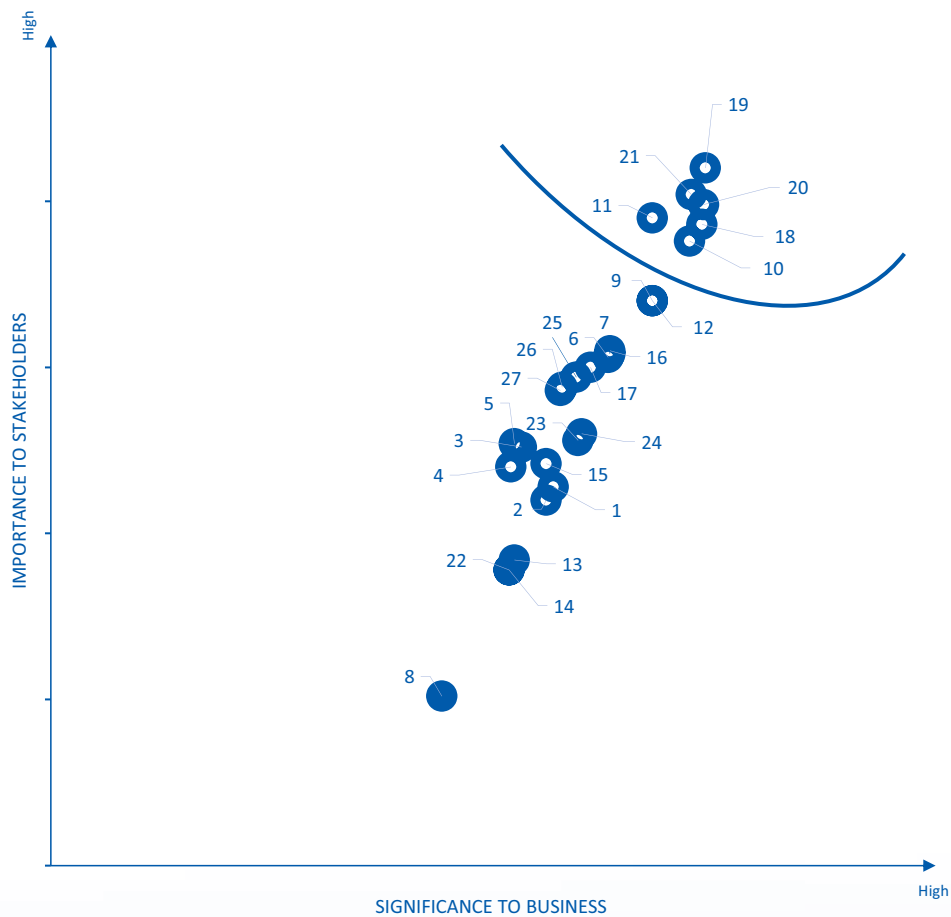
Environmental, Social and Governance Report

MATERIALITY ASSESSMENT

In addition to our existing communication channels with various stakeholder groups, we have conducted a materiality assessment through a stakeholder engagement process. This assessment has taken into account ESG issues that are relevant to our industry and operations. The process involved the following steps:

1. Identifying potential issues: screen out the initial reference issues with reference to the ESG Reporting Guide.
2. Stakeholders' communication: understand and analyse the issues of concern to stakeholders through an online survey.
3. Ranking the issues by materiality: prepare the ESG materiality ranking based on the results of the communication.

Materiality Matrix



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Material Topics

Environmental Protection	Quality of Working Environment	Operating Practices	Service Responsibility	Community Investment
1. Air Emissions	8. Employee Welfare	16. Supply Chain Management	20. Sustainability of Investments and Operations	26. Participation in Volunteer Activities
2. Treatment of Non-hazardous Waste	9. Equal-Opportunity, Diversification and Anti-Discrimination	17. Anti-Fraud and Anti-Corruption	21. Competence and Quality of the Management	27. Donations
3. Greenhouse Gas Emissions	10. Occupational Health and Safety	18. Business Continuity Plan	22. Intellectual Property Rights Management	
4. Energy and Water Conservation	11. Staff Development and Training	19. Corporate Governance	23. Data Protection and Privacy	
5. Climate Change Risk Management	12. Employment Compliance		24. Shareholder Communication and Satisfaction	
6. Green Procurement	13. Employee Turnover Rate		25. Green Investment	
7. Environmental Risk in Supply Chain	14. Employment Relationship and Communication with Employees			
	15. Talent Attraction and Employee Retention			

During the Reporting Year, based on the result of the materiality assessment, the Company has identified 6 issues as the material topics, which are listed as follows:

- Occupational health and safety;
- Staff development and training;
- Business continuity plan;
- Corporate governance;
- Sustainability of investments and operations; and
- Competence and quality of the management.

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SOCIAL

EMPLOYMENT

Employee-focused

The Company recognises employees as its most valuable assets and a fundamental source of competitive advantage. We offer competitive remuneration, promotion opportunity, compensation and benefit packages to attract and retain talents. Remuneration packages are reviewed periodically based on the Company's operating results, individual performance and market information. Fair terms on working hours, overtime payment, holidays, termination of contract, fringe benefits and leave entitlement are stipulated in the employment contracts. We aim to reward and motivate the contribution and performance of employees and assist them in their career development and promotion within the Company.

In order to provide a good and fair working environment and safeguard the well-being of our employees, we seriously consider all valuable opinions from our employees to enhance workplace productivity and harmony.

Employee Welfare

We acknowledge the significance of maintaining a work-life balance for our employees and have implemented standardised practices for managing their working hours, holidays, and rest periods. Apart from statutory holidays, the Company offers various paid leave entitlements to employees, including annual leave, sick leave, maternity leave, wedding leave, compassionate leave and study leave.

Equal Opportunity and Anti-Discrimination

The Company's recruitment process is unbiased and inclusive, ensuring equal opportunities for all candidates, regardless of age, gender, physical or mental health condition, marital status, family status, race, skin color, nationality, religion, political affiliation, sexual orientation and other factors.

We strictly follow the relevant laws and regulations together with our employment policies to select candidates based on skill set, experience and expertise. Equality and diversity are highly respected in our corporate philosophy during the process of employment, remuneration, promotion and termination.

By adopting the above practices, we comply with, in all material respects, the relevant ordinances and regulations of employment in Hong Kong and relevant codes of practice issued by the Equal Opportunities Commission of Hong Kong, including but not limited to the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), the Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong), and the Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong).

Independence and Diversity

The Company, together with the current Board, gives the utmost priority to regulatory compliance. The Board advocates a high level of independence so as to make independent judgements. An independent Board serves the interests of Shareholders by effectively carrying out its fundamental obligation of oversight of management. As at reporting date, more than one-third of our Board members are independent. The majority of the members of the Audit Committee, Remuneration Committee and Nomination Committee are comprised of independent non-executive Directors. In selecting the Board members, the Company already considered the experience, knowledge and background of all independent non-executive Directors that can contribute to the diversity and caliber of the Company.

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Employment Profile

The Company's workforce composition and employee turnover for the Reporting Year and 2023 are presented in the following table:

Key performance indicators	2024	2023
Total number of employees	11	12
By Gender:		
Male	8	7
Female	3	5
By Employment Type:		
Full-time	11	12
Part-time	–	–
By Age Group:		
Within the age group of 41 to 50	3	6
Within the age group of 51 to 60	6	4
Within the age group of 61 to 70	2	2
By Geographical Region:		
Hong Kong	10	10
PRC	1	2
Turnover rate of employees¹	2024	2023
By Gender:		
Male	–	57%
Female	100%	60%
By Employment Type:		
Full-time	27%	58%
Part-time	–	–
By Age Group:		
Age group of 41 to 50	67%	50%
Age group of 51 to 60	17%	75%
Age group of 61 to 70	–	50%
By Geographical Region:		
Hong Kong	20%	50%
PRC	100%	100%

1 The employee turnover rate is calculated by the number of employees at the end of the Year.

The Company aims to maintain the employee turnover rate at an acceptable level and help the Company to accumulate professional expertise and experience in a more effective manner. During the Reporting Year, the Company's employee turnover rate is 27% (2023: 58%).

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OCCUPATIONAL HEALTH AND SAFETY

The Company is committed to providing a safe and healthy working environment for all employees and protecting them from any potential occupational hazards. As an investment company, the Company has a low safety risk profile, but potential injury hazards from slips, trips and falls for staff remain. In order to protect our employees from injuries and accidents under adverse weather, we have established adverse weather working arrangements in our working guideline. We have also ensured that our employees are under the coverage of the employees' compensation insurance.

The Company has offered various facilities to address the health and safety needs of our employees, which includes:

- ensuring ample space between workstations and clean and tidy common space such as corridors and pantry;
- ensuring the facilities operated by employees should meet safety and health standards;
- obtaining expert advice to identify health and safety risk in the operations and the corresponding mitigating actions that should be taken;
- maintaining sufficient ventilation and lighting system in the office;
- offering adjustable chairs and workstation of proper design at each individual workstation;
- conducting fire drills and emergency evacuation simulations to raise employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency; and
- prohibiting smoking and abuse of alcohol and drugs in the workplace.

Additionally, the Company provides induction programs and safety training programs to new employees such that they can be familiar with our corporate policies in relation to health and safety matters as quickly as they can.

During the Reporting Year, the Company complied with the relevant occupational health and safety in Hong Kong, including but not limited to the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong).

In addition, no work-related fatality or injury from workplace have occurred during the Reporting Year and the past three years. During the Reporting Year, no employee experienced any work-related injury that resulted in a loss of working days.

CAREER DEVELOPMENT AND TRAINING

The Company highly values employee career development and quality. We provide effective training opportunities and have established a transparent promotion framework to ensure that employees possess the necessary skills for their professional growth.

The Company conducts employees' performance evaluation annually and based on the assessment results provides the employees with appropriate training and offers job development and promotion opportunities for outstanding employees. Internal promotion is always preferred over external recruitment by the Company so as to provide the best chance for employees to grow together with the Company and strengthen the loyalty of the employees.

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In order to enhance the effectiveness and efficiency of the management of the Company, we have provided training specific to the needs of the management, such as training on corporate governance, to our staff at the management level. On the other hand, junior staff is kept updated with knowledge and trained with techniques regarding the application of new software or hardware, such as computer and accounting programmes, needed for their daily work. The Company is continuously stepping up our education and training policy, planning to provide all our employees with necessary up-to-date and job-related training so that they can keep abreast of the ever-changing business environment.

In addition to receiving on-the-job training, employees are actively encouraged to pursue external professional training to enhance their expertise in areas directly relevant to their work. Employees are encouraged to attend courses or seminars organised by professional bodies and regularly update their knowledge on investments, accounting standards, the Listing Rules, the SFO and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

The percentage of employees of the Company receiving training and the average training hours per employee during the Reporting Year and 2023 are summarised as follows:

Type	% of employee trained		Average training hours per employee	
	2024	2023	2024	2023
Total²	90.9	100	13.0	14.0
By Gender:				
Male	70.0³	58.3	11.5⁴	13.1
Female	30.0	41.7	17.0	15.2
By Employee Category:				
General employees	10.0⁵	8.3	12.5⁶	25.0
Mid-level employees	10.0	16.7	10.0	15.0
Senior management	80.0	75.0	14.0	12.6

2 The total % of employee trained and the average training hours per employee are calculated by the total number of employees at the end of the Year.

3 The % of employee trained by gender is calculated by the number of trained employees at the end of the Year.

4 The average training hours per employee by gender is calculated by the total number of employees by that gender at the end of the Year.

5 The % of employee trained by employee category is calculated by the number of trained employees at the end of the Year.

6 The average training hours per employee by employee category is calculated by the total number of employees by that category at the end of the Year.

During the Reporting Year, the total training ratio of employee is 90.9% (2023: 100%). The average training hours per employee was 13 hours (2023: 14 hours).

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LABOUR STANDARDS

Compliance with Employment Laws and Regulations

The Company complies with the labour laws of Hong Kong and relevant employment laws and regulations during the Reporting Year, including the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) by participating in the Mandatory Provident Fund retirement benefit scheme for our eligible employees, the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong). During the Reporting Year, we are not aware of any non-compliance cases relevant to laws and regulations on recruitment and promotion, compensation and dismissal, working hours, rest periods, equal opportunity, diversity, benefits and welfare, and anti-discrimination.

Dismissal

In situations which an employee has violated the Company's regulation, or his/her performance is below an acceptable level continuously, a set of procedures were established to terminate their employment contract. The terms and conditions for dismissal are outlined in the Company's policy and procedures.

Prevention of Child and Forced Labour

The Company strictly prohibits the use of child labour in accordance with the relevant laws and regulations in Hong Kong such as the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong). We guarantee the absence of child labour by conducting identity verification for all new employees prior to their commencement of work. Forced labour is also strictly prohibited that no employee shall engage in unacceptably dangerous and/or hazardous work, physical punishment, abuse, servitude, peonage or trafficking is allowed in any of our operations and services. The risk of the issues of child and forced labour is minimal in our operation. The Company performs relevant risk assessment on the operation of investment targets before making investment and clearly communicates our concern and stance against child and forced labour to the investees. The Company will immediately terminate the employment contract and assist the underaged labour to resume education once the case is discovered. For the forced labour, the Company would provide reasonable monetary compensations to them while terminating the employment contract.

Employees must truthfully provide their personal data at commencement of employment and must start to work in accordance with the requirements of relevant policies after commencement of employment. Cases of holding forged identification documents or providing false personal data or false work experience, once found, will be handled according to the relevant requirements of the Company's policies. Serious cases with detrimental effects might be handled according to relevant legal requirements.

There was no child nor forced labour in the Company's operation during the Reporting Year.

SUPPLY CHAIN MANAGEMENT

The Company places significance on cultivating and sustaining long-term relationships with our suppliers, and we eagerly anticipate establishing enduring partnerships with them.

We adhere to a principle of fairness and openness in our procurement of materials and services. We support and encourage the suppliers to promote efficient use of resources and environmental protection and fulfill corporate social responsibility. The Company conducts follow-up assessment on the suppliers, and, if necessary, reviews them through a third-party organisation.

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On the other hand, for upholding the principle of professionalism, the Company subcontracts some specialised works, including legal advisory, compliance, information technology, security and cleaning, to professional third-party enterprises. These cooperating parties constitute a key part of the Company's business chain. When choosing sub-contractors, the Company values their service capabilities, service experience, personnel management skills and specialised equipment. The Company assesses sub-contractors' service performance in accordance with its own service standards so as to identify and solve problems timely. Furthermore, the Company also adopts a series of measures, making sure that the sub-contractors do not violate human rights or are not against the legitimate rights of their workers.

Our suppliers should comply with all relevant local and national laws and regulations in relation to unethical behaviour, bribery, corruption and other prohibited business practices.

Supplier Assessment

The table below summarised our assessment in the four aspects. In the process of selecting and evaluating suppliers, we will evaluate based on product price, quality, timely delivery of products and compliance with environmental laws. In addition to the general assessment, for the significant suppliers, a formal assessment form is prepared on these four aspects when engaging suppliers. In sourcing the suppliers, we will communicate with suppliers about our concerns on these four aspects. In the future, we would continuously attach greater importance and efforts on the assessment of environmental and social aspects.

Qualitative	Quantitative	Environmental	Social
<ul style="list-style-type: none"> • Reputation • Technical support • Management background • Customer service 	<ul style="list-style-type: none"> • Capability • Timely manner • Supplier rating 	<ul style="list-style-type: none"> • Air emissions and waste management • Recyclable material • Energy saving 	<ul style="list-style-type: none"> • Human rights • Labour culture • Market development • Charitable donation and other contribution to society

During the Reporting Year and 2023, the Company's key suppliers were distributed by geographical region as follows:

Region	Number of key suppliers ⁷		Assessed suppliers	
	2024	2023	2024	2023
Hong Kong	12	14	2	3
Others	1	1	–	–
Total	13	15	2	3

⁷ We only included the key suppliers, which are significant to our operations, in our calculation.

PRODUCT RESPONSIBILITY

Due to the nature of our business, the office-based operations of the Company do not pose significant environmental and social risks in terms of product responsibility. As a result, the disclosure requirements outlined in the ESG Reporting Guide concerning this aspect is not applicable to the Company.

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Investment Management

The Board is responsible for approving all the investment/divestment decisions and formulating the Company's overall investment strategies and guidelines in accordance with the investment objective and policies of the Company. The Investment Manager shall provide investment management services to the Company. The Investment Manager (if appointed) is responsible for, inter alia, identifying, reviewing and evaluating suitable investment or divestment opportunities, assisting the Board in the execution of investment and divestment decisions and the monitoring of the investments of the Company. The Investment Manager will carry out reviews of the investment portfolio of the Company whenever the Board shall require and report its analysis to the Board.

Data Privacy Protection

With regard to information security and confidentiality, the Company also plays a vital role in handling information of customers, employees and other stakeholders with the highest degree of care. Facing a serious concern on privacy protection among the public, the Company carries out several measures which are in line with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong). We only collect personal data which are necessary for conducting business, and the data will not be used for purposes without the consent of the relevant persons. Personal data are also not transferred or disclosed to entities which are not a member of the Company. Moreover, we maintain appropriate security systems designed to prevent unauthorised access to personal data.

During the Reporting Year, there were no data loss issues occurred.

BUSINESS ETHICS

Anti-Corruption and Anti-Money Laundering

The Company advocates a high standard of business integrity throughout its operations and has no tolerance of corruption or bribery in any form. Employees at all levels are expected to conduct in an appropriate manner, with integrity, impartiality and honesty. During the Reporting Year, the Company complied with laws and regulations relating to bribery, extortion, fraud and money laundering that have a significant impact on the Company, such as the Prevention of Bribery Ordinance of Hong Kong (Chapter 201 of the Laws of Hong Kong).

The Company provides continuous professional training support to employees and directors to ensure they are equipped with updated knowledge and skills to perform their duties by providing various online training, including courses and seminars. Employees and directors are well-informed of the policies and procedures of the Company. Besides, trainings in relation to anti-corruption and corporate governance were conducted during the Reporting Year.

There was no legal case regarding corrupt practices nor any case of corruption found or reported by the Company during the Reporting Year.

Whistle-blowing Mechanism

Established control, such as a whistle-blowing mechanism, is in place as a private and confidential communication channel for external and internal parties to report suspicious fraudulent actions to the Company's management directly. Ongoing review of the effectiveness of the internal control systems is conducted on a regular basis in preventing the occurrence of corruption activities. During the Reporting Year, there was no such reported case.

Environmental, Social and Governance Report

COMMUNITY INVESTMENT

The Company is fully aware of the importance of interacting with the wider community in fulfilling corporate social responsibility. The Company pursues sustainable development of the community by supporting initiatives that create effective and lasting benefits to the local communities. Going beyond corporate philanthropy, the Company supports long-term community investment by encouraging our employees to participate in volunteering work.

During the Reporting Year, although we did not make any monetary contribution to society, we actively encouraged our employees to participate in charitable activities both at work and outside of work to contribute to the society. The Company believes that one of the best ways to serve the community is to drive positive impact through its investment portfolio. To create shared values among the community and stakeholders, the Company will continue to consider ESG factors in selecting future investment projects.

In addition, the Company fully supports our employees in fulfilling civic responsibilities and social obligations through serving jury duty and witness duty when required. Employees are also encouraged to participate in voting and polling to express their political interests and views. The Company encourages employees to donate used clothes to non-profit organisations. Looking forward, the Company will continuously study the possibility of establishing a specialised committee to plan and promote such activities relating to the sustainable development of communities and the Company's sustainable future.

The focus areas of the Company's community investment are social welfare and environmental concern. The Company believes that it can act effectively to help alleviate social problems and respond positively with volunteering services. In order to improve the work-life balance of the Company's employees, their family needs and encourage them to participate in community activities and charitable events so as to contribute to the society, the Company's employees at the back office are offered flexible working hours arrangements on the weekdays. The Company participated in "Earth Hour 2024" organised by World Wide Fund For Nature Hong Kong to show its concerns about climate crisis and deterioration of biodiversity.

ENVIRONMENT

As an investment company, we maintain a conscientious approach towards our investment decisions and their potential environmental impact. When opportunities arise, we carefully evaluate projects based on their risk and return dynamics, as well as their potential positive environmental effects.

The Company has been persistent in conducting business in an environmentally responsible manner and it has been the Company's mission to reduce possible environmental impact from its operations, tackle climate change and reduce risks for the society in the most effective way.

EMISSIONS

As the Company is engaged in investment business, our operations primarily result in indirect greenhouse gas ("GHG") emissions, which are mainly associated with electricity consumption, water usage, paper consumption in our office by our employees. Non-hazardous waste, such as commercial waste and the disposal of computer equipment and office equipment, produced by the Company are also at a minimum level. Due to our business nature, we do not generate any nitrogen oxides (NOx), sulphur oxides (SOx) and respiratory suspended particles (PM) in our operations.

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During the Reporting Year, the Company generated about 0.22 tonnes (2023: 2.47 tonnes) of carbon equivalent emission. Since the Company has been relocated to the new office starting from January 2023, the cost of electricity consumption was inclusive in the monthly building management fee, and hence no relevant data could be collected from the landlord.

Scope of GHG	Emission Sources	Total GHG (CO ₂ and CO ₂ equivalent) emissions		Intensity ⁹ (per employee)	
		2024 (tonnes)	2023 (tonnes)	2024 (tonnes)	2023 (tonnes)
Scope 2⁸					
Indirect emission	Purchased electricity	N/A¹⁰	2.27	N/A	0.189
Scope 3					
Other indirect emission	Paper waste disposed at landfills	0.22	0.20	0.020	0.017
Total		0.22	2.47	0.020	0.206

8 Greenhouse gas emissions are calculated with reference to the "Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and the emission factor published by the electricity provider (CLP 2023 Sustainability Report).

9 Our intensity data presented are divided by the total number of employees at the end of the Reporting Year.

10 Since the Company has been relocated to the new office from January 2023, the cost of electricity consumption of the Company was inclusive in the monthly building management fee, and hence no relevant data could be collected.

Green Operation to Achieve Environmental Target

Since the Company's emissions primarily stems from indirect sources such as electricity consumption and paper usage, our emission target will focus on achieving continuous improvement in these areas. To achieve these targets, the Company is committed to initiating further measures addressing use of resources, with the aim to maintain or reduce the intensity of consumption. During the Reporting Year, the Company adopted a number of energy-saving initiatives and efficiency practices to reduce GHG emission and conserve energy usage, encompassing:

- indoor temperature is maintained at an optimal level for comfort;
- assure the cooling effect of air conditioning equipment by proper maintenance;
- keep doors, windows, and entrances closed to prevent loss of air conditioning in the office;
- employees are encouraged to power off the computers, monitors and other personal electronic devices before leaving the office;
- replace malfunctioning electronic devices and electric appliances with more energy efficient models;
- signages are strategically placed in appropriate areas to raise awareness about energy conservation;
- encourage employees to utilise the video conference facilities so as to avoid unnecessary travel arrangement; and
- install blinds for windows to reduce solar heat in air-conditioned areas and hence the strength of air-conditioning required.

Environmental, Social and Governance Report

Hazardous Waste and Non-hazardous Waste

The Company did not generate any hazardous waste in its operations. Non-hazardous waste resulting from office paper was the primary waste source. The management of the Company considered the impact of non-hazardous waste was insignificant.

To minimise waste generation, we are committed to implementing various measures based on the principle of 4Rs (Reduce, Reuse, Recycle, and Recover). We always encourage our staff to reuse envelopes, folders, file cards and other stationary. We purchase refills instead of new pens so that staff can reuse their pens in a bid to avoid disposal. Besides, the use of disposable and non-recyclable products is avoided by replacing them with products that are recyclable or reusable. For instance, rechargeable batteries are used instead of disposable batteries in our office. By adopting green procurement practices, we always prefer consumables which are made from recycled materials with minimal packaging. Employees are also encouraged to reuse materials so as to minimise the amount of waste discarded to landfills.

The Company believes that there is no significant environmental impact generated by its business operations. During the Reporting Year, the Company had not received any complaint regarding the non-compliance with laws or regulations relating to air pollution and waste handling. We are committed to protecting the environment and focusing on environmental protection in our operations, hoping to reduce our long-term negative impact on environment through rigorous supervision and control.

Our reduction target on non-hazardous waste would be the directional improvement of the disposal of wastepaper. To achieve the target, we will continue to reduce, reuse and recycle throughout our operations to minimise the disposal of waste to the landfill. Green office practices such as encouraging double-sided printing and copying, promoting the use of recycled papers and the introduction of collection and recycling of e-waste such as old computers or other office equipment are implemented to minimise the disposal of waste.

EFFECTIVE USE OF RESOURCES

The Company considers the conservation of natural resources as an indispensable component of our sustainable business. Through actively promoting various environmental friendly measures, we encourage an efficient use of resources, including energy, paper, water and other raw materials. As such, the Company has initiated policies to raise the awareness of electricity conservation and taken energy saving measures throughout our daily operation.

With the aim to better manage the use of resources, regular assessments of use of resources are performed by the Company by analysing the data collected by the management of the Company.

Electricity Consumption

The Company is committed to improving the energy efficiency of operations by supporting the "Indoor Temperature Energy Saving Charter" and the "No Incandescent Light Bulbs ("ILB") Energy Saving Charter". The indoor air temperature of our office is set at a comfortable range, and all ILBs have been fully deactivated.

For equipment purchasing, employees are encouraged to take energy efficiency into consideration when purchasing office equipment such as considering the energy cost of the equipment and its useful life.

During the Reporting Year, the electricity consumption data is included in the monthly building management fee of the office. Hence, no separate electricity consumption data (2023: 5,827 kWh) and energy intensity data (2023: 486 kWh per employee) could be disclosed by the Company.

Environmental, Social and Governance Report

Efficiency of Computer Equipment

The utilisation and disposal of computer equipment, including computers and servers, are key areas of focus in our sustainability initiatives. Computer hardware has various social and environmental impacts throughout its life cycle, namely production, use, and eventual disposal.

The Company aims to maximise the lifespan of computer equipment by finding opportunities to refurbish and redeploy assets internally whenever feasible. According to the recent business development, there is an increasing trend to rely on computer equipment and software to operate the business. In designing our replacement plan of computer equipment, we consider the benefit of energy efficiency and stability to reduce the negative impact to natural environment and enhance the sustainability of operation.

All computer equipment we refurbish, recycle or donate meets our strict data privacy standards.

Water Consumption

The Company consumes water in the office from a centralised water and sanitation system implemented in the building. The cost of water consumption of the Company is inclusive in the monthly building management fee, and the building management does not individually measure the water consumption of each tenant and hence no relevant data could be collected for the Reporting Year and Year 2023. Nonetheless, we educate employees on the importance of water conservation and reduce unnecessary water waste.

In addition, the Company operates in an industry that does not have high water consumption, relying primarily on the government water supply system. Sourcing water poses no difficulty for the Company.

Packaging Material

The Company's business operations do not involve the production of tangible goods. Therefore, there were no packaging materials used.

Paper Usage

The Company practices paper saving initiatives, such as encouraging employees to use duplex printing for internal documents and adopting an environmentally friendly photocopying habit. Apart from reducing paper waste at source, paper recycling also contributes to conserving resources such as forests, energy and water. To efficiently recycle used paper, waste segregation and collection are particularly important.

During the Reporting Year, a total of 0.045 tonnes (2023: 0.042 tonnes) of paper with an intensity of 0.004 tonnes (2023: 0.004 tonnes) per employee has been used for daily office operations. Paper recycling practice is engaged and promoted regularly to raise employees' awareness on conserving paper.

Environmental, Social and Governance Report

THE ENVIRONMENT AND NATURAL RESOURCES

As a company that is principally engaged in investment in both listed and unlisted securities, we generally bear a low impact on carbon footprint and therefore low impact on the environment. Nevertheless, the Company, together with our talented team, is committed to actively minimising the impact on our environment and implementing different measures to optimise the workplace and continue to address the environmental issues in relation to global warming, pollution and biodiversity.

As an ongoing commitment to good corporate citizenship, we recognise the responsibility in minimising the negative environmental impact of our business operations and our investment portfolio, in order to achieve sustainable development for generating long-term values to our stakeholders and community as a whole.

The Company constantly assesses and monitors the environmental risks in its daily operation and formulates corresponding mitigation measures promptly when discovering any potential risk to the environment, so as to ensure such risk can be controlled and reduced to an acceptable level. The Company is committed to making the most efficient use of natural resources and reducing waste.

CLIMATE CHANGE RISK MANAGEMENT

Climate change is one of the global topical issues when it comes to sustainable development. International organisations and governments engage in continuous discussions to alleviate and address challenges arising from climate change and keep rolling out climate-related initiatives and policies with an aim to accelerate the transition to a low-carbon economy and achieve the goals of the Paris Agreement. We understand that climate change and extreme weather not only bring potential risks to business operations, but also present opportunities for business and technology development. We are also fully aware of the urgency to implement our sustainable development strategy and low-carbon business model and are committed to adopting various mitigation measures to build up climate resilience and adaptability of our business.

The Company's senior management and ESG working group are responsible for identifying, assessing and managing the Company's ESG risks and opportunities, with a focus on climate change-related issues. They regularly review and update the profiles of climate change-related risks and opportunities identified and report the results to the Board. They are also responsible for developing and adopting appropriate response measures and including climate change-related risks and opportunities into the Company's risk management system and operations strategy to better respond to climate change.

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The table below sets out the key physical and transition risks identified arising from climate change:

Acute and Physical Risk: Extreme weather

Type of Climate Risk	Description of Risks
Typhoons	Increased probability of high-intensity typhoons may lead to unceasing strong winds and torrential rains and hence river flooding, which when coupled with storm surges, waves and tides caused by winds and air pressure, may cause rising water surface and intrusion of seawater into river mouths, affecting the water quality. Coastal areas might also be inundated and cause damage to facilities.
Thunderstorms	With the increase in carbon dioxide and the warming of the land surface, high-intensity updraft accompanied by rainstorms is more likely to produce thunder and lightning, posing serious safety hazards to business facilities and employees.
Extreme precipitation	Extreme precipitation, such as increased number of days of heavy rainfall in a year, massive amount of rainfall within a short period of time, and the increase in annual maximum precipitation, will result in rapid rising of water bodies, threatening the safety of facilities and people in low-lying areas along rivers, lakes and coasts. Massive acid rain will also cause water pollution.
Landslides and mudslides	Extreme rainfalls wash against the hillside and loosen the soil, resulting in mudslides and landslips that cause water pollution and damage to facilities.
Extreme cold	Dramatic cooling and cold wave weather in winter may lead to extreme conditions such as snowfall and icing, resulting in damage to or malfunction of water pipes, meters and other facilities.

Chronic and Physical Risk:

Type of Climate Risk	Description of Risks
Global warming	Global warming will result in rising average temperature throughout a year, increasing the frequency of heat waves, droughts, wildfires and other acute risks. The higher temperature would result in changes in transmission patterns of infectious diseases or higher risk of thermal stress.
Rising sea levels	Global warming will accelerate the melting of polar ice sheets and the expansion of seawater, resulting in rising sea levels in the long run and hence the early obsolescence of existing assets in coastal areas. Therefore, the selection of the place of business operation is impacted by the rise in sea level.

Environmental, Social and Governance Report

Company Response to Physical Risks

The acute risk would be addressed by closely monitoring the extreme weather and safe working arrangement for the employees. The preparation of work from home arrangement would reduce the risk of failure of operation due to damage to Company's office by extreme weather.

The Company would regularly raise the awareness of the employees of the risk of health issues caused by fluctuation of temperature as well as the risk of infectious diseases. At the current stage, the chronic risk to the Company is not significant. However, the Company would closely monitor the relevant risk and establish controls, such as change of place of the operations where the place has lower chronic risk, if required. At the same time, the Company would exercise best effort to reduce its emission and enhance the portion of green investment in the future in order to make meaningful contribution to address climate change risk.

Transition Risk:

Type of Climate Risk

Description of Risks

Policy and legal risk

The laws and regulations are expected to be changed for the higher requirement of ESG-related disclosure. For example, the Company is expected to incur higher legal cost to monitor the ESG-related performance of the Company's investments. Failure of disclosure or incorrect disclosure may impose higher legal risk to the Company.

Reputation risk

Although the Company is principally engaged in investment, the ESG performance of the investments would affect the reputation of the Company. For example, if there is environmental pollution and high-carbon production from an investment target, the reputation of the Company would also be damaged.

Market risk

The operating market of the Company's investments may be affected due to climate change. For example, the supply and demand of certain commodities may change which affect the operation of the Company's investments.

Company Response to Transition Risks

The control and response to transition risk is that the Company will enhance the ESG-related risk analysis in the Company's risk assessment process. The investment risk should include the ESG-related risk analysis to produce an adjusted risk of return of our investment profile. The reputation risk would be addressed by initial analysis and subsequent monitoring of the background of the investments and its management's reputation in ESG-related aspect rather than only the financial aspect. The policy and legal risk would be addressed by the regular collection of relevant ESG-related data and the observation of local laws and regulations of the investments regarding the ESG-related aspect. The market risk would be addressed by the regular analysis of the ESG-related risk of our investments in order to generate an acceptable and suitable ESG-related risk adjusted investment portfolio.

Environmental, Social and Governance Report

HKEX ESG REPORTING GUIDE CONTENT INDEX

Environmental	Description	Reference Section
Aspect: A1: Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Environment Emissions Green Operation to Achieve Environmental Target Hazardous Waste and Non-hazardous Waste
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous Waste and Non-hazardous Waste
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Hazardous Waste and Non-hazardous Waste
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Green Operation to Achieve Environmental Target
KPI A1.6	Description of how hazardous and non-hazardous waste are handled, and a description of reduction target(s) set and steps taken to achieve them.	Hazardous Waste and Non-hazardous Waste

Environmental, Social and Governance Report

Environmental	Description	Reference Section
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Effective Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Electricity Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Operation to Achieve Environmental Target Electricity Consumption Efficiency of Computer Equipment
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Material
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change Risk Management
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change Risk Management

Environmental, Social and Governance Report

Social	Description	Reference Section
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Employment Employee Welfare Equal Opportunity and Anti-Discrimination Independence and Diversity Compliance with Employment Laws and Regulations Dismissal
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment Profile
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment Profile
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Occupational Health and Safety
Aspect B3: Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Career Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Career Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Career Development and Training

Environmental, Social and Governance Report

Social	Description	Reference Section
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards Compliance with Employment Laws and Regulations Prevention of Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Prevention of Child and Forced Labour Dismissal
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Environmental, Social and Governance Report

Social	Description	Reference Section
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not Applicable to the Company
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Not Applicable to the Company
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Not Applicable to the Company
KPI B6.4	Description of quality assurance process and recall procedures.	Not Applicable to the Company
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Data Privacy Protection
Aspect B7: Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Business Ethics Anti-Corruption and Anti-Money Laundering
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption and Anti-Money Laundering
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-Corruption and Anti-Money Laundering
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

Independent Auditor's Report



國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOLDSTONE CAPITAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

OPINION

We have audited the financial statements of Goldstone Capital Group Limited ("the Company") set out on pages 64 to 101, which comprise the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2024 and of its financial performance and its 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 Financial Statements* section of our report. We are independent of the Company 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOLDSTONE CAPITAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Company's financial reporting process.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOLDSTONE CAPITAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

- Identify and assess the risks of material misstatement of the 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 Company'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 Company'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 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 Company to cease to continue as a going concern.

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GOLDSTONE CAPITAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

(continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the 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.

Crowe (HK) CPA Limited

Certified Public Accountants

Hong Kong, 27 June 2024

Yau Hok Hung

Practising Certificate Number P04911

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

	<i>NOTE</i>	2024 HK\$'000	2023 HK\$'000
Net investment gain	5	32	48
Other income, net	6	40	123
General and administrative expenses		(9,419)	(10,332)
Loss from operations		(9,347)	(10,161)
Finance costs	7(a)	(11)	(11)
Loss before taxation	7	(9,358)	(10,172)
Income tax	8	–	–
Loss for the year		(9,358)	(10,172)
Other comprehensive income for the year		–	–
Total comprehensive expense for the year		(9,358)	(10,172)
Loss and total comprehensive expense for the year attributable to:			
Equity shareholders of the Company		(9,358)	(10,172)
Loss per share	19		
– Basic		(HK\$0.04)	(HK\$0.04)
– Diluted		(HK\$0.04)	(HK\$0.04)

The notes on pages 68 to 101 form an integral part of these financial statements.

Statement of Financial Position

As at 31 March 2024

	NOTE	2024 HK\$'000	2023 HK\$'000
Non-current asset			
Plant and equipment	10	–	668
Current assets			
Financial assets at fair value through profit or loss	11	–	6,610
Deposits and prepayments	12	784	741
Cash and cash equivalents	13(a)	18,057	21,566
Total current assets		18,841	28,917
Current liabilities			
Accruals and other payables	14	1,913	3,308
Loans from a shareholder	20(b)	4,030	4,021
Total current liabilities		5,943	7,329
Net current assets		12,898	21,588
Net assets		12,898	22,256
Capital and reserves			
Share capital	15	23,727	23,727
Reserves		(10,829)	(1,471)
Total equity		12,898	22,256
Net asset value per share	17	HK\$0.05	HK\$0.09

Approved and authorised for issue by the board of directors on 27 June 2024.

Li Li
Director

Huang Bin
Director

The notes on pages 68 to 101 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 March 2024

	Share capital HK\$'000	Share premium HK\$'000 <i>(Note)</i>	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 April 2022	23,727	73,025	(64,324)	32,428
Changes in equity for the year ended 31 March 2023: Loss and total comprehensive expense for the year	–	–	(10,172)	(10,172)
Balance at 31 March 2023 and 1 April 2023	23,727	73,025	(74,496)	22,256
Changes in equity for the year ended 31 March 2024: Loss and total comprehensive expense for the year	–	–	(9,358)	(9,358)
Balance at 31 March 2024	23,727	73,025	(83,854)	12,898

Note: Share premium represents premium arising from the issue of shares at a price in excess of their par value per share and is not distributable but may be applied in paying up unissued shares of the Company to be issued to the shareholders of the Company as fully paid bonus shares or in providing for the premiums payable on repurchase of shares.

The notes on pages 68 to 101 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2024

	NOTE	2024 HK\$'000	2023 HK\$'000
Cash flows from operating activities			
Loss before taxation		(9,358)	(10,172)
Adjustments for:			
Interest income	6	(40)	(32)
Net investment gain	5	(32)	(48)
Net exchange gain	6	–	(20)
Depreciation	7(c)	668	338
Finance costs	7(a)	11	11
Loss on disposal of plant and equipment	6	–	1
Operating loss before changes in working capital		(8,751)	(9,922)
Decrease/(increase) in financial assets at fair value through profit or loss		6,642	(6,562)
Increase in deposits and prepayments		(43)	(287)
Decrease in accruals and other payables		(1,395)	(806)
Cash used in operations and net cash used in operating activities		(3,547)	(17,577)
Cash flows from investing activities			
Payment for purchase of plant and equipment		–	(1,000)
Interest received		40	32
Net cash generated from/(used in) investing activities		40	(968)
Cash flows from financing activity			
Repayment of loans from a shareholder	13(b)	(2)	–
Net cash used in financing activity		(2)	–
Net decrease in cash and cash equivalents		(3,509)	(18,545)
Cash and cash equivalents at 1 April 2023/2022	13(a)	21,566	40,091
Effect of foreign exchange rate changes		–	20
Cash and cash equivalents at 31 March	13(a)	18,057	21,566

The notes on pages 68 to 101 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2024

1. GENERAL INFORMATION

Goldstone Capital Group Limited (the “Company”) is a limited liability company incorporated in Bermuda on 15 April 2003 as an exempted company and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is Room 1801A, 18/F, Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong.

The Company is principally engaged in investments in listed and unlisted enterprises.

2. MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

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

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Company for the current accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as financial assets at fair value through profit or loss (see Note 2(d)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(c) Changes in accounting policies

(i) New and amended HKFRSs

The HKICPA has issued the following new and amended HKFRSs that are first effective for the current accounting period of the Company:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 1, *Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: Disclosure of accounting policies*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International Tax Reform – Pillar Two Model Rules*

The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new and amended HKFRSs are discussed below:

HKFRS 17, Insurance contracts

HKFRS 17, which replaces HKFRS 4, sets out the recognition, measurement, presentation and disclosure requirements applicable to issuers of insurance contracts. The standard does not have a material impact on these financial statements as the Company does not have contracts within the scope of HKFRS 17.

Amendments to HKAS 1, Presentation of financial statements and HKFRS Practice Statement 2, Making materiality judgements: 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 Company has revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

Amendments to HKAS 8, Accounting policies, changes in accounting estimates and errors: 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 Company's approach in distinguishing changes in accounting policies and changes in accounting estimates is consistent with the amendments.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(c) Changes in accounting policies *(continued)*

(i) New and amended HKFRSs *(continued)*

Amendments to HKAS 12, Income taxes: 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. These amendments had no impact on the Company's financial statements as there were no transactions fallen within the scope of these amendments on or after the beginning of the earliest period presented.

Amendments to HKAS 12, Income taxes: International Tax Reform – Pillar Two Model Rules

The amendments introduce a temporary mandatory exception from deferred tax accounting for the income tax arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD") (income tax arising from such tax laws is hereafter referred to as "Pillar Two income taxes"), including tax laws that implement qualified domestic minimum top-up taxes described in those rules. The amendments also introduce disclosure requirements about such tax including the estimated tax exposure to Pillar Two income taxes. The amendments are immediately effective upon issuance and require retrospective application. Since the Company did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Company.

(ii) 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. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(c) Changes in accounting policies *(continued)*

(ii) **New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism** *(continued)*

However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit.

The abolition of the offsetting mechanism did not have a material impact on the financial statements.

(d) Financial instruments

(i) **Recognition and initial measurement of financial assets and liabilities**

A financial asset or financial liability is recognised in the statement of financial position when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are measured initially at fair value, plus, for instruments not classified as at fair value through profit or loss, any directly attributable transaction costs.

(ii) **Classification and subsequent measurement of financial assets**

Financial assets held by the Company are classified into one of the following measurement categories:

- amortised cost, if the financial instrument is held for the collection of contractual cash flows which represent solely payments of principal and interest (“SPPI”). Interest income from the investment is calculated using the effective interest method (see Note 2(m)(ii)).
- fair value through other comprehensive income (“FVOCI”) – recycling, if the contractual cash flows of the financial instrument comprise solely payments of principal and interest and the financial instrument is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the financial asset is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(d) Financial instruments *(continued)*

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

- fair value at profit or loss (“FVPL”) if the financial asset does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the financial assets (including interest) are recognised in profit or loss.

However, the Company may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies, in other comprehensive income (“OCI”) and
- the Company may irrevocably designate a debt instrument that meets the amortised cost or FVOCI criteria as measured at FVPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company’s business model for managing the asset.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are SPPI. For an asset to be classified and measured at fair value through other comprehensive income, its contractual cash flows of the financial instrument comprise solely payments of principal and interest and the financial instrument is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. For an asset to be classified and measured at fair value at profit or loss the financial instrument does not meet the criteria for being measured at amortised cost or FVOCI.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(d) Financial instruments *(continued)*

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

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Company's business models for managing its financial instruments reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur, such as so-called "worst case" or "stress case" scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Financial assets carried at amortised cost and fair value through other comprehensive income are subject to impairment.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(d) Financial instruments *(continued)*

(iii) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVPL or amortised cost.

A financial liability is classified as at FVPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net fair value gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities, including accruals and other payables, are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iv) Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECLs) on the following items:

- financial assets measured at amortised cost (including cash and cash equivalents and deposits);

Financial assets measured at fair value, including fund and equity investment measured at FVPL, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

In measuring ECLs, the Company takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(d) Financial instruments *(continued)*

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

Measurement of ECLs (continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

For all deposits, the Company recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The Company monitor all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime ECLs rather than 12-month ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Company considers that a default event occurs when the counterparty is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held). The Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Company.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(d) Financial instruments *(continued)*

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

Significant increases in credit risk (continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Company recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income on credit-impaired financial assets

Interest income recognised in accordance with Note 2(m)(ii) 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 the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Company assesses whether a financial asset is credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(d) Financial instruments *(continued)*

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

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(v) Fair value measurement

If there is an active market for a financial asset or financial liability, the quoted price in the active market without adjusting for transaction costs that may be incurred upon future disposal or settlement is used to establish the fair value of the financial asset or financial liability.

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties; reference to the current fair value of another instrument that is substantially the same; net assets value; discounted cash flow analysis and option pricing models. Where discounted cash flow technique is used, future cash flows are estimated based on management's best estimates and the discount rate used is the prevailing market rate applicable for instrument with similar terms and conditions at the end of the reporting period. Where other pricing models are used, inputs are based on market data at the end of the reporting period.

In estimating the fair value of a financial asset and financial liability, the Company considers all factors including, but not limited to, risk-free interest rate, credit risk, foreign exchange rate and market volatility, that are likely to affect the fair value of the financial asset and financial liability.

The Company obtains market data from the same market where the financial instrument was originated or purchased.

(vi) Derecognition of financial assets and financial liabilities

Financial assets (or a part of a financial asset or group of financial assets) are derecognised when the financial assets meet one of the following conditions:

- the contractual rights to the cash flows from the financial asset expire; or
- the Company transfers substantially all the risks and rewards of ownership of the financial assets or where substantially all the risks and rewards of ownership of a financial asset are neither retained nor transferred, the control over that asset is relinquished.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(d) Financial instruments *(continued)*

(vi) Derecognition of financial assets and financial liabilities *(continued)*

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but retains control, the Company continues to recognise the financial asset and relevant liability to the extent of its continuing involvement in the financial asset.

The financial liability (or part of it) is derecognised only when the underlying present obligation (or part of it) specified in the contracts is discharged, cancelled or expired. An agreement between the Company and an existing lender to replace the original financial liability with a new financial liability with substantially different terms, or a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. The difference between the carrying amount of the derecognised financial liability and the consideration paid is recognised in profit or loss.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis, or by realising the asset and settling the liability simultaneously.

(e) Plant and equipment

Items of plant and equipment are stated at cost less accumulated depreciation and impairment losses (see Note 2(f)).

Gains or losses arising from the retirement or disposal of an item of plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

– Furniture and fixtures	5 years
– Computers	3 years
– Leasehold improvements	over the shorter of the term of the lease or 5 years

Where parts of an item of plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(f) Impairment of non-financial assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that plant and equipment may be impaired.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit). A portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(g) Leased assets

At inception of a contract, the Company assesses whether the contract is, or contains, 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Company enters into a lease in respect of a low-value asset, the Company decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(g) Leased assets *(continued)*

(i) As a lessee *(continued)*

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see Note 2(f)).

The refundable rental deposits are accounted for separately from the right-of-use assets, and they are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at transaction price. Any difference between the initial fair value and the nominal value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Company will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of HKFRS 16 Leases.

In the statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for expected credit losses ("ECL") in accordance with the policy set out in Note 2(d).

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(i) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Company's accounting policy for borrowing cost (see Note 2(o)).

(j) Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(k) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits. Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(l) Provisions and contingent liabilities

Provisions are recognised when the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(m) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Company is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Company, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Company takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

Further details of the Company's revenue and other income recognition policies are as follows:

(i) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(m) Revenue and other income *(continued)*

(ii) Interest income

Interest income from financial assets at amortised cost is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see Note 2(d)(iv)).

(iii) Realised/unrealised gains or losses from financial assets at FVPL

Net gains (losses) on financial assets at FVPL are recognised on the transaction dates when the relevant contract notes are exchanged and unrealised fair value gains (losses) on financial assets at FVPL are recognised in the period in which they arise.

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Company will comply with the conditions attaching to them. Grants that compensate the Company for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Company for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(n) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

(o) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Notes to the Financial Statements

For the year ended 31 March 2024

2. MATERIAL ACCOUNTING POLICIES *(continued)*

(p) Related parties

- (a) A person, or a close member of that person's family, is related to the Company if that person:
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or the Company's parent.
- (b) An entity is related to the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities 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 Company or an entity related to the Company.
 - (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 Company or to the Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(q) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Company's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Company's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Notes to the Financial Statements

For the year ended 31 March 2024

3. ACCOUNTING JUDGEMENT AND ESTIMATES

Note 21 contains information about the assumptions and their risk factors relating to financial instruments. Other significant sources of estimation uncertainty are as follows:

Recognition of income taxes and deferred tax assets

Determining income tax provision involves judgment on the future tax treatment of certain transactions. Management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatments of such transactions are reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised in respect of deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, management's judgment is required to assess the probability of future taxable profits. Management's assessment is revised as necessary and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

4. SEGMENT REPORTING

No segment information is presented in respect of the Company's business and geographical segments as all of the income, contribution to operating results, assets and liabilities of the Company are attributable to investment activities, which are carried out or originated principally in Hong Kong.

5. NET INVESTMENT GAIN

	2024 HK\$'000	2023 HK\$'000
Fair value change on financial assets at fair value through profit or loss	32	48

Notes to the Financial Statements

For the year ended 31 March 2024

6. OTHER INCOME, NET

	2024 HK\$'000	2023 HK\$'000
Bank interest income	40	32
Government subsidies (<i>see Note below</i>)	–	72
Net exchange gain	–	20
Loss on disposal of plant and equipment	–	(1)
	40	123

Note: Being the subsidies received from the COVID-19 Anti-epidemic Fund under the Employment Support Scheme as promulgated by the Government of the Hong Kong Special Administrative Region of the People's Republic of China.

7. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2024 HK\$'000	2023 HK\$'000
(a) Finance costs		
Interest on loans from a shareholder (<i>Note 13(b)</i>)	11	11
(b) Staff costs (including directors' emoluments)		
Salaries and other benefits	4,835	4,676
Mandatory provident fund contributions (<i>see Note below</i>)	52	68
	4,887	4,744
(c) Other items		
Depreciation charge		
– owned plant and equipment	668	338
Expense related to short-term leases	1,100	728
Auditors' remuneration		
– audit services	310	310
Investment management fee	270	1,620
Legal and professional fees	1,172	1,131

Note: The Company operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Company to reduce the existing level of contribution.

Notes to the Financial Statements

For the year ended 31 March 2024

8. INCOME TAX

- (a) No provision for Hong Kong Profits Tax has been made in these financial statements as the Company has no estimated assessable profits derived from its operation in Hong Kong during the year ended 31 March 2024 (for the year ended 31 March 2023: Nil).
- (b) No provision for overseas tax has been made in these financial statements as the Company has no profit derived from overseas.
- (c) Reconciliation between tax expense and accounting loss at applicable tax rate:

	2024	2023
	HK\$'000	HK\$'000
Loss before taxation	(9,358)	(10,172)
Notional tax on loss before taxation, calculated at the applicable rate of 16.5% (for the year ended 31 March 2023: 16.5%)	(1,544)	(1,678)
Tax effect of non-taxable income	(12)	(29)
Tax effect of non-deductible expenses	1,452	1,660
Tax effect of temporary difference not recognised	104	47
Income tax expense	–	–

- (d) At 31 March 2024, the Company has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK\$52,581,000 (31 March 2023: approximately HK\$52,581,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction. The tax losses do not expire under current tax legislation and subject to the final assessment by the tax authority in respect of jurisdiction where the tax losses arising from.

The Company had no other significant potential deferred tax assets and liabilities at 31 March 2024 and 2023.

Notes to the Financial Statements

For the year ended 31 March 2024

9. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	2024 HK\$'000	2023 HK\$'000
<i>Directors' fees:</i>		
Non-executive Directors	1,800	1,169
Independent Non-executive Directors	480	443
<i>Other emoluments:</i>		
Executive Director		
– Salaries and benefits in kind	30	180
– Retirement scheme contributions	2	9
	2,312	1,801

The emoluments of each director, on a named basis, for the year ended 31 March 2024 are set out below:

	Directors' fees HK\$'000	Salaries and benefits in kind HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
<i>Executive Director</i>				
Chan Mei Yan ⁽¹⁾	–	30	2	32
<i>Non-executive Directors</i>				
Huang Bin ⁽²⁾	360	–	–	360
Chen Huaiyuan ⁽³⁾	120	–	–	120
Lam King ⁽⁴⁾	120	–	–	120
Xu Lin ⁽⁵⁾	1,200	–	–	1,200
<i>Independent Non-executive Directors</i>				
Hung Hoi Ming Raymond ⁽⁶⁾	120	–	–	120
Ning Fong ⁽⁷⁾	240	–	–	240
Wan Yuk Ling ⁽⁸⁾	120	–	–	120
	2,280	30	2	2,312

Notes to the Financial Statements

For the year ended 31 March 2024

9. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS *(continued)*

(a) Directors' emoluments *(continued)*

The emoluments of each director, on a named basis, for the year ended 31 March 2023 are set out below:

	Directors' fees HK\$'000	Salaries and benefits in kind HK\$'000	Retirement scheme contributions HK\$'000	Total HK\$'000
<i>Executive Director</i>				
Chan Mei Yan ⁽¹⁾	–	180	9	189
<i>Non-executive Directors</i>				
Huang Bin ⁽²⁾	170	–	–	170
Chen Huaiyuan ⁽³⁾	120	–	–	120
Lam King ⁽⁴⁾	120	–	–	120
Xu Lin ⁽⁵⁾	400	–	–	400
Yip Hoi Chung ⁽⁹⁾	200	–	–	200
Lee Hung Yuen ⁽¹⁰⁾	79	–	–	79
Guo Yanchun ⁽¹¹⁾	80	–	–	80
<i>Independent Non-executive Directors</i>				
Hung Hoi Ming Raymond ⁽⁶⁾	80	–	–	80
Ning Fong ⁽⁷⁾	114	–	–	114
Wan Yuk Ling ⁽⁸⁾	30	–	–	30
Xu Yanfa ⁽¹²⁾	42	–	–	42
Yan Yan ⁽¹³⁾	42	–	–	42
Ma Yin Fan ⁽¹⁴⁾	135	–	–	135
	1,612	180	9	1,801

(1) Chan Mei Yan resigned with effect from 31 May 2023.

(2) Huang Bin was appointed with effect from 11 October 2022.

(3) Chen Huaiyuan was appointed with effect from 1 April 2022.

(4) Lam King was appointed as independent non-executive director on 1 April 2022 and re-designated as non-executive director on 1 August 2022.

(5) Xu Lin was appointed with effect from 1 December 2022.

(6) Hung Hoi Ming Raymond was appointed with effect from 1 August 2022.

(7) Ning Fong was appointed with effect from 11 October 2022.

(8) Wan Yuk Ling was appointed with effect from 31 December 2022.

(9) Yip Hoi Chung resigned with effect from 1 September 2022.

Notes to the Financial Statements

For the year ended 31 March 2024

9. EMOLUMENTS OF DIRECTORS AND HIGHEST PAID INDIVIDUALS *(continued)*

(a) Directors' emoluments *(continued)*

(10) Lee Hung Yuen resigned with effect from 11 October 2022.

(11) Guo Yanchun was appointed with effect from 1 April 2022 and resigned with effect from 1 December 2022.

(12) Xu Yanfa resigned with effect from 11 October 2022.

(13) Yan Yan resigned with effect from 11 October 2022.

(14) Ma Yin Fan resigned with effect from 31 December 2022.

During the year, there was no arrangement under which a director has waived or agreed to waive any remuneration (2023: Nil). No emoluments were paid or payable by the Company to any of the directors as an inducement to join or upon joining the Company or as compensation for loss of office (2023: Nil).

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments, two (2023: one) are directors whose emoluments are disclosed in Note 9 (a). The aggregate of the emoluments in respect of the other three (2023: four) individuals are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and other emoluments	2,067	2,674
Retirement scheme contributions	29	49
	2,096	2,723

The emoluments of the three (2023: four) individuals with the highest emoluments are within the following bands:

	2024 Number of individuals	2023 Number of individuals
Nil to HK\$1,000,000	2	3
HK\$1,000,001 to HK\$1,500,000	1	1
	3	4

During the year, there was no arrangement under which an individual waived or agreed to waive any remuneration (2023: Nil). No emoluments were paid or payable by the Company to any of the individuals as an inducement to join or upon joining the Company or as compensation for loss of office (2023: Nil).

During the year, no share options were granted to any of the Company's directors or the above highest paid individuals in respect of their services to the Company (2023: Nil).

Notes to the Financial Statements

For the year ended 31 March 2024

10. PLANT AND EQUIPMENT

	Furniture and fixtures HK\$'000	Computers HK\$'000	Leasehold improvements HK\$'000	Total HK\$'000
Cost				
At 1 April 2022	36	47	–	83
Additions	24	–	976	1,000
Disposals	(4)	–	–	(4)
<hr/>				
At 31 March 2023, 1 April 2023 and 31 March 2024	56	47	976	1,079
Accumulated depreciation				
At 1 April 2022	31	45	–	76
Charge for the year	11	2	325	338
Written back on disposals	(3)	–	–	(3)
<hr/>				
At 31 March 2023	39	47	325	411
Charge for the year	17	–	651	668
<hr/>				
At 31 March 2024	56	47	976	1,079
Net book value:				
At 31 March 2024	–	–	–	–
<hr/>				
At 31 March 2023	17	–	651	668
<hr/>				

Notes to the Financial Statements

For the year ended 31 March 2024

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK\$'000	2023 HK\$'000
Investments (trading and investment securities) – at fair value		
Treasury Bills of the United States of America (the “U.S.” (“U.S. Treasury Bills”))	–	6,610

All U.S. Treasury Bills were matured during the year ended 31 March 2024 and the Company did not have any investments as at 31 March 2024.

Particulars of the investments as at 31 March 2023 were as follows:

Type of investment	Name of issuer	Place of incorporation	Cost HK\$'000	Market value HK\$'000	Change in fair value of financial assets at fair value through profit or loss HK\$'000	Yield per annum %	Maturity date	Interest received/accrued during the Year HK\$'000	Approximate percentage of gross assets of the Company %
U.S. Treasury Bill	The Department of the Treasury of the U.S. (“U.S. Department of the Treasury”)	U.S.	1,563	1,596	33	2.5	31 March 2023	–	5.4
U.S. Treasury Bill	U.S. Department of the Treasury	U.S.	1,573	1,572	(1)	0.125	30 April 2023	–	5.3
U.S. Treasury Bill	U.S. Department of the Treasury	U.S.	3,446	3,442	(4)	0.125	31 May 2023	–	11.6

Prospects: The Directors are of the view that with the very strong financial position of the U.S. government, U.S. Treasury Bills can provide a steady interest income to investors.

Investment strategy: The Directors consider U.S. Treasury Bills as a lower-risk security. Treasury bills are debt obligations issued by the U.S. Department of the Treasury. Treasury securities are considered one of the safest investments because they are backed by the full faith and credit of the U.S. government. The Company will increase or reduce the holdings on the U.S. Treasury Bills, depending on a number of factors including the investment environment.

Notes to the Financial Statements

For the year ended 31 March 2024

12. DEPOSITS AND PREPAYMENTS

	2024 HK\$'000	2023 HK\$'000
Deposits	200	207
Prepayments	584	534
	784	741

The carrying amounts of deposits approximated their fair values as at 31 March 2024 and 2023. The Company does not hold any collateral over these balances.

The deposits do not contain impaired assets.

The carrying amounts of deposits and prepayments were denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
Hong Kong dollars	658	619
United States dollars	126	122
	784	741

All deposits and prepayments are expected to be recovered or recognised as expense within one year.

13. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents in the statements of financial position and cash flows comprise:

	2024 HK\$'000	2023 HK\$'000
Cash at bank and on hand	18,057	21,566

The carrying amounts of cash and cash equivalents were denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
Hong Kong dollars	12,205	20,488
United States dollars	5,852	1,078
	18,057	21,566

Notes to the Financial Statements

For the year ended 31 March 2024

13. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(continued)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liability from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	Loans from a shareholder HK\$'000 (Note 20(b))
At 1 April 2023	4,021
Changes from financing cash flows:	
Repayment of loans from a shareholder	(2)
Total changes from financing cash flows	(2)
Other changes:	
Interest expenses (Note 7(a))	11
Total other changes	11
At 31 March 2024	4,030
At 1 April 2022	4,010
Other changes:	
Interest expenses (Note 7(a))	11
Total other changes	11
At 31 March 2023	4,021

Notes to the Financial Statements

For the year ended 31 March 2024

13. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(continued)

(c) Total cash outflow for leases

Amounts included in the statement of cash flows for leases comprise the following:

	2024 HK\$'000	2023 HK\$'000
Within operating cash flows	1,025	728

These amounts relate to the followings:

	2024 HK\$'000	2023 HK\$'000
Lease rentals paid	1,025	728

14. ACCRUALS AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Accruals and other payables	1,913	3,308

The carrying amounts of accruals and other payables approximated their fair values as at 31 March 2024 and 2023 and were denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
Hong Kong dollars	1,871	1,655
United States dollars	26	1,653
Renminbi	16	–
	1,913	3,308

All accruals and other payables are expected to be settled within one year or are repayable on demand.

Notes to the Financial Statements

For the year ended 31 March 2024

15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Authorised:		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	1,000,000,000	100,000
Ordinary shares, issued and fully paid		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	237,271,250	23,727

16. CAPITAL MANAGEMENT

The Company's primary objective when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company actively reviews and manages its capital structure in the light of changes in economic conditions so as to maintain a sound capital position. Total capital is defined as shareholders' funds in the statement of financial position.

The Company is not subject to internally or externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 2023.

17. NET ASSET VALUE PER SHARE

The net asset value per share is calculated by dividing the net assets of the Company as at 31 March 2024 of approximately HK\$12,898,000 (31 March 2023: approximately HK\$22,256,000) by the numbers of ordinary shares being in issue as at 31 March 2024, being approximately 237,271,000 (31 March 2023: approximately 237,271,000 ordinary shares).

18. DIVIDEND

The directors do not propose any dividend for the year ended 31 March 2024 (for the year ended 31 March 2023: Nil).

Notes to the Financial Statements

For the year ended 31 March 2024

19. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to equity shareholders of the Company is based on the following data:

	2024 HK\$'000	2023 HK\$'000
Loss attributable to ordinary equity shareholders of the Company for the purpose of computing basic loss per share	9,358	10,172

	Number of shares	
	2024 '000	2023 '000
Weighted average number of ordinary shares for the purpose of computing basic loss per share	237,271	237,271

(b) Diluted loss per share

There were no dilutive potential ordinary shares during the years ended 31 March 2024 and 2023, and therefore diluted loss per share is the same as the basic loss per share.

20. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, particulars of significant transactions between the Company and its related parties during the year are as follows:

(a) Key management personnel remuneration

Remuneration for key management personnel of the Company, including amounts paid to the Company's directors as disclosed in Note 9(a) and certain of the highest paid employees as disclosed in Note 9(b), is as follows:

	2024 HK\$'000	2023 HK\$'000
Short-term employee benefits	3,420	2,992
Retirement scheme contributions	2	9
	3,422	3,001

Total remuneration for key management personnel is included in "Staff costs" (see Note 7(b)).

Notes to the Financial Statements

For the year ended 31 March 2024

20. MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

(b) Financing arrangements

At 31 March 2024, the Company had the following balances with related parties:

	Notes	2024 HK\$'000	2023 HK\$'000
Investment management fee payable to INV Advisory Limited	(i)	–	540
Loans from a shareholder	(ii)	4,030	4,021
Rental deposit	(iii)	200	200

Notes:

- (i) The outstanding balance arising from the investment management agreement with INV Advisory Limited is included in “Accruals and other payables” (see Note 14). Further details of an investment management agreement with INV Advisory Limited is set out in Note 20(c) below.
- (ii) The loans from a shareholder are unsecured and repayable within one year. As at 31 March 2024, included in loans from a shareholder, a principal amount of HK\$2,500,000 (31 March 2023: HK\$2,500,000) carries interest at Hong Kong Interbank Offered Rate for an interest period of 12 months, and the remaining balance is interest-free.
- (iii) Rental deposit was paid to China State Ventures Group Limited (“China State”) in respect of lease agreement entered into during the year. The amount is included in “Deposits and prepayments” (see Note 12). Further details of the lease agreement with China State is set out in Note 20(c) below.

(c) Other transactions with related parties

	Notes	2024 HK\$'000	2023 HK\$'000
Interest expense charged by a shareholder		11	11
Investment management fee charged by INV Advisory Limited	(i)	270	1,620
Rental expense	(ii)	1,100	400

Notes:

- (i) On 29 May 2020, the Company entered into an investment management agreement with INV Advisory Limited, of which Ms. Chan Mei Yan, a former director of the Company, is also its director. Pursuant to the investment management agreement, INV Advisory Limited has agreed to provide non-discretionary investment management services to the Company at an investment management fee of HK\$1,620,000 per annum for a period of three years commencing from 1 June 2020. The investment agreement was expired on 31 May 2023.
- (ii) On 1 December 2022, the Company entered into a lease agreement (the “Lease Agreement 2022”) with China State, of which Mr. Huang Bin, a non-executive director of the Company, is also its director. The Company has obtained the right to use properties as its offices through the lease agreement for a term of one year commencing from 1 December 2022 at a monthly rent of HK\$100,000.

On 1 December 2023, the Company entered into a lease agreement (the “Lease Agreement 2023”) with China State whereby the Company has obtained the right to use the properties as its offices through the lease agreement for a term of three months commencing from 1 December 2023 at a monthly rent of HK\$75,000.

On 1 March 2024, the Company entered into a lease agreement (the “Lease Agreement 2024”) with China State whereby the Company has obtained the right to use the properties as its offices through the lease agreement for a term of one year commencing from 1 March 2024 at a monthly rent of HK\$75,000.

The directors of the Company considered that the above related party transactions during the years ended 31 March 2024 and 2023 were concluded on mutually agreed terms in the ordinary and usual course of business of the Company.

Notes to the Financial Statements

For the year ended 31 March 2024

20. MATERIAL RELATED PARTY TRANSACTIONS *(continued)*

The related party transactions in respect of the loans from a shareholder, the investment management agreement with INV Advisory Limited and lease agreements with China State above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, the loans from a shareholder are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are conducted on normal commercial terms or better and are not secured by the assets of the Company under Rule 14A.90. The disclosures required by Chapter 14A of the Listing Rules in respect of the investment management agreement with INV Advisory Limited and lease agreements with China State are provided in the section “Connected Transactions” of the Report of the Directors.

21. FINANCIAL RISKS MANAGEMENT

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Company’s business. The Company’s exposure to these risks and the financial risk management policies and practices used by the Company to manage these risks are described below.

(a) Credit risks

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company’s credit risk is primarily attributable to cash and cash equivalents and financial assets at fair value through profit or loss. The Company’s exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with sound credit ratings for which the Company considers to have low credit risk. The Company’s exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account the remaining lease term and period covered by the rental deposits. Further details on the credit risk arising from financial assets at fair value through profit or loss are set out in Note 11.

At 31 March 2024, the Company did not have other significant financial assets.

The Company does not provide any guarantees which would expose the Company to credit risk.

(b) Liquidity risk

The Company’s policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient cash and bank deposits to meet liquidity requirements in the short and longer term. The directors are of the opinion that the Company does not have significant liquidity risk.

The following tables show the remaining contractual maturities at the end of the reporting period of the Company’s financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Company can be required to pay:

	2024					2023				
	Contractual undiscounted cash outflow				Carrying amount at 31 March 2024	Contractual undiscounted cash outflow				Carrying amount at 31 March 2023
	Within 1 year or on demand	More than 1 year but less than 5 years	Over 5 years	Total		Within 1 year or on demand	More than 1 year but less than 5 years	Over 5 years	Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial liabilities										
Accruals and other payables	1,913	-	-	1,913	1,913	3,308	-	-	3,308	3,308
Loans from a shareholder	4,038	-	-	4,038	4,030	4,029	-	-	4,029	4,021
	5,951	-	-	5,951	5,943	7,337	-	-	7,337	7,329

Notes to the Financial Statements

For the year ended 31 March 2024

21. FINANCIAL RISKS MANAGEMENT *(continued)*

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises primarily from bank deposits and loans from a shareholder.

The Company does not anticipate significant impact to bank deposit and loans from a shareholder because the interest rates of bank deposits and loans from a shareholder are not expected to change significantly. Other than bank deposits and certain loans from a shareholder carried interest at prevailing market interest rates, the Company has no other significant interest-bearing assets or liabilities. Therefore the Company's exposure to the interest rate risk is considered to be minimal.

(d) Currency risk

Currency risk refers to the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company mainly operates in Hong Kong with most of the operating costs denominated and settled in HK\$. The Company's exposure to currency risk primarily arises from investment and bank balances denominated in US\$ against HK\$. During the year, the Company did not have foreign currency hedging policy but management continuously monitors the foreign exchange exposure. As HK\$ is pegged to US\$, the Company does not expect any significant movements in the US\$/HK\$ exchange rates. No sensitivity analysis in respect of the Company's financial assets denominated in US\$ is presented as in the opinion of the directors, such sensitivity analysis does not give additional value in view of insignificant movement in the US\$/HK\$ exchange rates at the reporting dates.

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENT

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Company's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 "Fair Value Measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

At 31 March 2024, the Company did not have any financial assets at fair value through profit or loss.

At 31 March 2023, the financial instruments of the Company carried at fair value were U.S. Treasury Bills of approximately HK\$6,610,000. The financial instruments were measured at fair value on a recurring basis and their fair value measurement falls into Level 2 of the fair value hierarchy described above. The fair values of U.S. Treasury Bills are determined by using broker quotes.

Notes to the Financial Statements

For the year ended 31 March 2024

22. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENT *(continued)*

(a) Financial assets and liabilities measured at fair value *(continued)*

Fair value hierarchy *(continued)*

During the years ended 31 March 2024 and 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Company's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(b) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Company's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 March 2024 and 2023.

23. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2024

Up to the date of issue of these financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 March 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Company.

	Effective for accounting periods beginning on or after
Amendments to HKAS 1, <i>Presentation of financial statements: Classification of liabilities as current or non-current</i> and related amendments to Hong Kong Interpretation 5 and <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to HKAS 7 and HKFRS 7, <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to HKFRS 16, <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to HKAS 21, <i>Lack of Exchangeability</i>	1 January 2025
Amendments to HKFRS 10 and HKAS 28, <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Effective date to be determined

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

Five-Year Financial Summary

For the year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
RESULTS					
Net investment gain/(loss)	32	48	474	(938)	(1,104)
Loss before taxation	(9,358)	(10,172)	(6,035)	(8,379)	(10,215)
Income tax	-	-	-	-	-
Loss and total comprehensive expense for the year attributable to equity shareholders of the Company	(9,358)	(10,172)	(6,035)	(8,379)	(10,215)
ASSETS AND LIABILITIES					
Total assets	18,841	29,585	40,551	2,298	6,641
Total liabilities	(5,943)	(7,329)	(8,123)	(5,521)	(1,485)
Total equity/(capital deficiency) attributable to equity shareholders of the Company	12,898	22,256	32,428	(3,223)	5,156
NET ASSET/(LIABILITY) VALUE PER SHARE	HK\$0.05	HK\$0.09	HK\$0.14	(HK\$0.02)	HK\$0.03