THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, a bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **GoFintech Innovation Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

This circular is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia). This circular does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Consideration Shares mentioned in this circular have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**").

The Consideration Shares may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the Securities Act) except pursuant to an exemption from the registration requirements of the Securities Act. There will be no public offer of securities in the United States.

GoFintech Innovation Limited
國富創新有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

Website: https://290.com.hk

(I) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE SHARES IN THE TARGET COMPANY LISTED ON THE STOCK EXCHANGE INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE AND (II) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

瓏盛資本有限公司
Draco Capital Limited

Capitalised terms used in this cover page shall have the same meaning as those defined in this circular.

A letter from the Board is set out on pages 6 to 24 of this circular and a letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages IBC-1 to IBC-2 of this circular. A letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-26 of this circular.

A notice convening the EGM to be held at Units No. 4102-06, 41/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Friday, 4 October 2024 at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you intend to attend the EGM (or any adjournment thereof), you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

17 September 2024

CONTENTS

In this circular, unless the context otherwise requires, the following terms or expressions shall have the following meanings:

"Acquisition"	the acquisition by the Purchaser of the Sale Shares on the terms and subject to the conditions set out in the Sale and Purchase Agreement
"Announcement(s)"	collectively, the announcements of the Company dated 23 August 2024 and 13 September 2024 in relation to, amongst other things, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder
"associates"	has the meaning ascribed thereto in the Listing Rules
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday, Sunday and any day on which "extreme conditions" caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is issued or remains issued between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon or on which a "black" rainstorm warning is in effect or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
"Company"	GoFintech Innovation Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 0290)
"Completion"	the completion of the Acquisition in accordance with the terms and condition set out in the Sale and Purchase Agreement
"Conditions Precedent"	conditions precedent to the Completion as set out under the paragraph headed "Conditions Precedent of the Sale and Purchase Agreement"
"connected person(s)"	has the meaning ascribed thereto in the Listing Rules

"Consideration"	the consideration in the amount of HK$302,647,304.00 for the Acquisition
"Consideration Share(s)"	340,053,151 Shares to be allotted and issued as the Consideration payable by the Purchaser
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, pass ordinary resolution(s) to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the issuance of the Consideration Shares under the Specific Mandate
"Enlarged Group"	the Group as enlarged by the Acquisition
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. CHAN Kin Sang, Mr. CHIU Kung Chik, and Ms. LUI Mei Ka, which has been established to make recommendations to the Independent Shareholders on the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder
"Independent Financial Adviser"	Draco Capital Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser of the Company appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder

"Independent Shareholder(s)"	the Shareholders, other than Vendor A and his associates, who have no material interest in the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder (including the allotment and issuance of the Consideration Shares under Specific Mandate) to be proposed at the EGM and are not required under the Listing Rules to abstain from voting at the EGM
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
"Issue Price"	HK$0.89 per Share, being the issue price of each Consideration Share
"Latest Practicable Date"	16 September 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
"Purchaser"	Marvel Champion Investment Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company

"Sale and Purchase Agreement"	the conditional sale and purchase agreement entered into by the Company, the Purchaser (a wholly-owned subsidiary of the Company) and the Vendors, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, being 2,751,339,130 Target Shares (representing approximately 26.15% of the entire issued share capital of the Target Company), at the Consideration in the amount of HK$302,647,304.00, with such Consideration be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price
"Sale Shares"	2,751,339,130 Target Shares (representing approximately 26.15% of the entire issued share capital of the Target Company)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the ordinary shares in the issued share capital of the Company, in the par value of HK$0.10
"Shareholder(s)"	holder(s) of the Share(s)
"Specific Mandate"	the specific mandate to be sought from the Independent Shareholders at the EGM to grant to the Board the authority for the allotment and issuance of the Consideration Shares
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed thereto in the Listing Rules
"Takeovers Code"	The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
"Target Company"	Wealthink AI-Innovation Capital Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1140)
"Target Group"	the Target Company and its subsidiaries

"Target Shares"	ordinary share(s) of HK$0.10 each in the capital of the Target Company
"trading day"	means a day on which the Stock Exchange is open for the trading of securities
"Vendor A"	Dr. Liu Zhiwei, a substantial Shareholder and a substantial shareholder of the Target Company as at the Latest Practicable Date
"Vendor B"	Trenda Capital Pte. Ltd., an exempt private company incorporated in Singapore with limited liability, principally engaged in investment holding activities and portfolio management; Vendor A owns the entire issued share capital of Vendor B
"Vendor C"	Caitex Technology Holdings Limited, an investment holding company established under the laws of British Virgin Islands with limited liability, which is wholly-owned by Chunda International Capital Management Co., Ltd., an investment holding company established under the laws of British Virgin Islands with limited liability, and it is in turn wholly-owned by Vendor A
"Vendors"	collectively, Vendor A, Vendor B and Vendor C
"USA"	United States of America
"%"	per cent

The English text of this circular, the notice of the EGM and accompanying form of proxy shall prevail over their respective Chinese text in case of inconsistency.

GoFintech Innovation Limited
國富創新有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

Website: https://290.com.hk

Executive Director
Ms. SUN Qing

Non-executive Directors
Dr. NIE Riming
Mr. LI Chunguang
Mr. HUA Yang

Independent non-executive Directors
Mr. CHAN Kin Sang *(Chairman)*
Mr. CHIU Kung Chik
Ms. LUI Mei Ka

Registered office
P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Head office and principal place of business in Hong Kong
Units No. 4102-06
41/F COSCO Tower
183 Queen's Road Central
Hong Kong

17 September 2024

To the Shareholders

Dear Sir/Madam,

(I) VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE SHARES IN THE TARGET COMPANY LISTED ON THE STOCK EXCHANGE INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE AND (II) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

References are made to the Announcements in relation to, amongst other things, the Acquisition.

The purposes of this circular are to provide you with information regarding, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the issue of the Consideration Shares under the Specific Mandate; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent

Shareholders in relation to the Acquisition; (iv) financial information and other information of the Group; (v) financial information and other information of the Target Group; (vi) unaudited pro forma financial information of the Enlarged Group; and (vii) a notice of the EGM.

THE ACQUISITION

On 23 August 2024 (after trading hours of the Stock Exchange), the Company, the Purchaser (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendors, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, being 2,751,339,130 Target Shares (representing approximately 26.15% of the entire issued share capital of the Target Company), at the Consideration in the amount of HK$302,647,304.00. The Consideration shall be satisfied by allotment and issuance of the Consideration Shares at the Issue Price under the Specific Mandate to be sought by the Company at the EGM.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date

23 August 2024 (after trading hours of the Stock Exchange)

Parties to the Sale and Purchase Agreement

(a) The Company (as issuer of the Consideration Shares);

(b) The Purchaser (a wholly-owned subsidiary of the Company, as purchaser); and

(c) The Vendors (as vendors):

(i) Vendor A;

(ii) Vendor B; and

(iii) Vendor C.

Subject Matter of the Acquisition

Pursuant to the terms of the Sale and Purchase Agreement, the Purchaser (a wholly-owned subsidiary of the Company) has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell the Sale Shares, being 2,751,339,130 Target Shares (representing approximately 26.15% of the entire issued share capital of the Target Company), at the Consideration in the amount of HK$302,647,304.00. The Consideration shall be satisfied by the allotment and issue of the Consideration Shares at the Issue Price (i.e. approximately HK$0.89 per Share) under the Specific Mandate to be sought by the Company at the EGM.

Acquisition cost of the Sale Shares by the Vendors was in aggregate approximately HK$2,700 million.

The Sale Shares are not subject to any lock-up period or any restrictions regarding its transfer, charge, encumbrance or disposal, and as at the Latest Practicable Date, to the best of knowledge, information and belief of the Directors and after making all reasonable enquiries, the Purchaser has no intention to acquire more Target Shares, nor is it intended to transfer, charge, encumber or dispose any part of the Sale Shares subsequent to the Completion. In any event, with reference to the condition precedent set out under sub-paragraphs (c) of the Conditions Precedent contemplated below, it is the intention of the Purchaser that no general offer obligations on the part of the Purchaser shall be triggered.

Conditions Precedent of the Sale and Purchase Agreement

The Acquisition is conditional upon the following conditions being fulfilled (or waived, where applicable):

(a) the Listing Committee shall have granted or agreed to grant the approval for the listing of and permission to deal in the Consideration Shares;

(b) the Independent Shareholders shall have approved the Acquisition, the Sale and Purchase Agreement and all transactions contemplated hereunder (including the Specific Mandate and the corresponding issuance of the Consideration Shares) at the EGM in accordance with the Listing Rules;

(c) the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement remains the same up to the date of the Completion;

(d) the Board approving the Acquisition, the entering into and the execution and performance of the Sale and Purchase Agreement;

(e) the respective board of directors of the Purchaser, Vendor B and Vendor C approving the Acquisition, the entering into and the execution and performance of the Sale and Purchase Agreement;

(f) all requisite consents, approvals, waivers and authorisations from any relevant government departments or authorities (including but not limited to the Stock Exchange), regulatory authorities or other relevant third parties (whether in Hong Kong, the PRC or elsewhere) having been obtained by the Vendors and the Target Company (where applicable);

(g) no applicable laws, rules and regulations in Hong Kong, BVI, Singapore, Cayman Islands, or any relevant jurisdictions prohibiting, restricting or imposing conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or import conditions or limitations on the consummation of the Acquisition and/or the transactions contemplated under the Sale and Purchase Agreement (including but not limited to the Listing Rules and the Takeovers Code);

(h) the shares of the Target Company remaining listed and being traded on the main board of the Stock Exchange after the date of the Sale and Purchase Agreement up to the date of the Completion, and the Stock Exchange has no indication whatsoever at any time before Completion that the listing of the Target Shares on the Stock Exchange will be or may be cancelled or objected;

(i) no event occurring which constitutes a material adverse change (as set out in the Sale and Purchase Agreement) has occurred on the financial position, business, prospect or results of operations of the Target Group as a whole as at the date of the Sale and Purchase Agreement and up to the date of Completion; and

(j) the respective representations, warranties and undertakings made by the Vendors under the Sale and Purchase Agreement shall be true, accurate and not misleading in all material aspects as at the date of the Sale and Purchase Agreement and up to the date of Completion.

As at the Latest Practicable Date, (i) on condition (f) above, the Directors have not been aware of any consents, approvals, waivers and authorisations being required (other than those set out under the Conditions Precedent above in the Sale and Purchase Agreement); (ii) it is noted that the Acquisition will not have any implication under the Takeovers Code, and there's no such laws, rules or regulations imposing prohibition or restriction on the Acquisition and the transactions contemplated under the Sale and Purchase Agreement (as set out in the condition (g) above); (iii) the Directors have not been aware of any indication of the Target Company being delisted; and (iv) the respective representations, warranties and undertakings made by the Purchaser and the Vendors are true, accurate and not misleading with respect to the Acquisition and the transactions contemplated thereunder.

The Vendors and the Purchaser may, in writing, waive in whole or in part any of the Conditions Precedent contemplated under (i) and (j) above. Other than the aforesaid, none of the Conditions Precedent may be waived. For the avoidance of doubt, despite the conditions precedent set out under sub-paragraphs (i) and (j) being capable to be waived, it is, in any event, not the Purchaser's intention to agree with the Vendors to waive such conditions precedent.

As at the Latest Practicable Date, Conditions Precedent contemplated under (d) and (e) above are fulfilled.

If any of the Conditions Precedent is not fulfilled (or as the case may be, waived) on or before 31 October 2024 (i.e. the long stop date contemplated under the Sale and Purchase Agreement for the fulfillment of the above conditions for the Acquisition), or such later date as the parties to the Sale and Purchase Agreement may agree in writing, the Sale and Purchase Agreement shall be terminated, and all rights, obligations and liabilities of the parties thereto shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the Sale and Purchase Agreement.

CONSIDERATION FOR THE ACQUISITION

With respect to the Acquisition, the Consideration is in the amount of HK$302,647,304.00. The Consideration shall be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. approximately HK$0.89 per Share) under the Specific Mandate to be sought by the Company at the EGM.

Basis of the Consideration

The Consideration was arrived at based on normal commercial terms after arm's length negotiation among the parties to the Sale and Purchase Agreement after taking into account, among others, the following:

(I) Historical Trading Price of the Target Shares and its Trend

In determining the Consideration, the Directors have considered, amongst other things elaborated in this circular, the historical market price of the Target Shares traded on the Stock Exchange for the period commencing from one year prior to the date of the Announcement dated 23 August 2024 up to date of the Announcement dated 23 August 2024 (the "**Relevant Period**"), as a benchmark to reflect the prevailing market conditions and recent market sentiment.

During the Relevant Period, the closing price of the Target Shares ranged from the highest of HK$0.218 recorded on 28 August 2023 and 29 August 2023 to the lowest of HK$0.096 recorded on 25 July 2024, and as a whole, it presented a downward trend throughout the Relevant Period, to further demonstrate, the 50-day and the 200-day moving average prices of the Target Share were HK$0.110 and HK$0.128, respectively. Accordingly, the Directors believe that the Consideration (being HK$0.110 per Sale Share) represents the lower end of the Target Shares' price and thus increases the attractiveness of the Acquisition as the underlying investment costs are lowered.

Moreover, as disclosed under the section "**Financial Information of the Target Group – INFORMATION ON THE TARGET COMPANY AND THE TARGET GROUP**", and as reflected under the sub-section "**(II) Prevailing market price and the Net Asset Value per Target Share**" below, the Consideration of HK$0.11 per Sale Share represents an approximately 88.30% discount to the net asset value per share for the year ended 31 March 2024, it further demonstrates that the Acquisition represents a valuable opportunity for the Company to gain access to a balanced portfolio of investment assets with high return and growth potential at an attractive pricing.

(II) Prevailing market price and the Net Asset Value per Target Share

In terms of the Consideration in the amount of HK$302,647,304.00 for the Sale Shares, being 2,751,339,130 Target Shares, the price per Sale Share, HK$0.110 represents:

(a) a premium of approximately 15.45% to the closing price of HK$0.093 per Target Share as quoted on the Stock Exchange on the Latest Practicable Date;

(b) a premium of approximately 6.36% to the closing price of HK$0.103 per Target Share as quoted on the Stock Exchange on 23 August 2024, being the date of the Sale and Purchase Agreement;

(c) a discount of approximately 0.72% to the average closing price of HK$0.1108 per Target Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 22 August 2024, being the date immediately prior to the Sale and Purchase Agreement;

(d) a premium of approximately 1.18% to the average closing price of HK$0.1087 per Target Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 22 August 2024, being the date immediately prior to the Sale and Purchase Agreement;

(e) a premium of approximately 6.18% to the average closing price of approximately HK$0.1032 per Target Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including 22 August 2024, being the date immediately prior to the Sale and Purchase Agreement; and

(f) a discount of approximately 88.30% to the consolidated net asset value per Target Share of approximately HK$0.94 based on the latest published audited net asset value attributable to owners of the Target Company of approximately HK$9,912.62 million as disclosed in the annual report of the Target Company for the year ended 31 March 2024 and 10,520,324,505 Target Shares in issue as at the Latest Practicable Date).

Other than the above numeric evaluation over the Sale Shares and the Consideration contemplated under the Acquisition, the Consideration is also arrived at with reference to (i) the well-established businesses and operations of the Target Group; (ii) the financial performance and prospects of the businesses operated by the Target Group; and (iii) the reasons and benefits of the Acquisition as stated under the paragraph headed "**REASONS FOR AND BENEFITS OF THE ACQUISITION**" below.

Consideration Shares and the Issue Price

The Consideration Shares represent (i) approximately 4.78% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 4.56% of the issued share capital of the Company as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of Consideration Shares).

The Issue Price was arrived at after arm's length negotiation among the parties to the Sale and Purchase Agreement with reference to recent market prices of Shares. The Issue Price represents:

(a) a premium of approximately 8.99% to the closing price of HK$0.81 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(b) the closing price of HK$0.89 per Share as at the date of the Sale and Purchase Agreement;

(c) a discount of approximately 1.98% over the average of the closing price of HK$0.908 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 23 August 2024, being the date of the Sale and Purchase Agreement;

(d) a discount of approximately 1.33% over the average of the closing price of HK$0.902 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to 23 August 2024, being the date of the Sale and Purchase Agreement; and

(e) a premium of approximately 87.53% to the consolidated net asset value per Share of approximately HK$0.111 based on the latest published audited net asset value attributable to owners of the Company of approximately HK$786.843 million as disclosed in the annual report of the Company for the year ended 31 March 2024 and 7,118,421,848 Shares in issue as at the Latest Practicable Date.

The aggregate nominal value of share capital for the Consideration Shares is HK$34,005,315.10.

The Directors (including the independent non-executive Directors whose views have been set out in the letter from the Independent Board Committee in this circular) consider that the Issue Price is fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

The Consideration Shares will be allotted and issued under the Specific Mandate to be approved by the Independent Shareholders at the EGM. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue.

An application has been made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Consideration Shares.

Completion

Completion for the Acquisition shall take place on the fifth (5th) Business Day after which all Conditions Precedent have been fulfilled (or waived, as the case may be), or on any other date as the parties to the Sale and Purchase Agreement may agree in writing.

Immediately prior to the Completion, Vendor A beneficially owns 2,774,951,130 Target Shares (representing approximately 26.38% of the entire issued share capital of the Target Company), Vendor B beneficially owns 10,000,000 Target Shares (representing approximately 0.095% of the entire issued share capital of the Target Company) and Vendor C beneficially owns 290,000,000 Target Shares (representing approximately 2.76% of the entire issued share capital of the Target Company). Upon Completion, Vendor B and Vendor C will no longer beneficially own any Target Share, while Vendor A will beneficially own 23,612,000 Target Shares, representing approximately 0.22% of the entire issued share capital of the Target Company.

Immediately prior to the Completion, the Group is beneficially interested in 313,115,385 Target Shares (representing approximately 2.98% of the entire issued share of the Target Company as at the Latest Practicable Date). Upon Completion, (i) the Group will be beneficially interested in 3,064,454,515 Target Shares (representing approximately 29.13% of the entire issued share of the Target Company as at the Latest Practicable Date); (ii) the Target Group will be accounted for in the financial statements of the Group as investment in an associate using the equity method of accounting; and (iii) the Company will become a substantial shareholder of the Target Company.

Pursuant to the Sale and Purchase Agreement, it is agreed among parties that all Consideration Shares in its entirety will be allotted and issued to Vendor C upon Completion. Therefore, upon Completion, Dr. Liu Zhiwei will be beneficially interested in a total number of 1,584,311,151 Shares (representing (i) approximately 22.26% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 21.24% of the issued share capital of the Company as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of Consideration Shares).

EFFECTS ON SHAREHOLDINGS STRUCTURE OF THE COMPANY

Assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of the Consideration Shares, the shareholding structure of the Company (i) as at the date of the Latest Practicable Date; and (ii) immediately upon Completion with the allotment and issuance of the Consideration Shares are set out below for illustrative purposes:

Shareholders	**As at the Latest Practicable Date**		**Immediately upon Completion with the allotment and issuance of the Consideration Shares**	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*
Dr. Liu Zhiwei *(Note 1)*	1,244,258,000	17.48	1,584,311,151	21.24
Mr. Wang Tao	1,134,374,308	15.94	1,134,374,308	15.21
Other Public Shareholders	4,739,789,540	66.58	4,728,789,540	63.55
Total *(Note 2)*	7,118,421,848	100.00	7,447,474,999	100.00

Notes:

1. As at the Latest Practicable Date, Dr. Liu Zhiwei is the beneficial owner over the entire parcel of 1,244,258,000 Shares, and immediately upon Completion, Vendor C (Caitex Technology Holdings Limited), will become the beneficial owner over 340,053,151 Shares, and as Dr. Liu Zhiwei is beneficially interested in the entire issued share capital of Caitex Technology Holdings Limited, Dr. Liu Zhiwei is deemed to be interested in those shares as well pursuant to Section 316 of the SFO.

2. Shareholders and public investors should note that the above shareholding percentages for shareholding have been rounded to two decimal places. Accordingly, the total percentage may not be equal to the apparent total percentage.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an investment holding company whereas the Group is a cross-border, cross-industry investment platform based in Hong Kong with focus on financial technology innovation, backed by the Greater Bay Area, and with focus on the international market. The Group has a strong presence in the financial services sector, comprising subsidiaries which (i) are corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO; and (ii) provide money lending services. The principally-engaged businesses of the Group include investment banking, securities brokerage, asset management, margin financing, insurance brokerage, money lending, debt and equity investment and immigration consulting.

INFORMATION OF THE PURCHASER

The Purchaser under the Sale and Purchase Agreement is an investment holding company incorporated in the British Virgin Islands with limited liability, and it is a wholly-owned subsidiary of the Company.

INFORMATION OF THE VENDORS

Vendor A under the Sale and Purchase Agreement is Dr. Liu Zhiwei, a substantial shareholder of the Company, one of the executive directors and a substantial shareholder of the Target Company.

Vendor B under the Sale and Purchase Agreement is Trenda Capital Pte. Ltd., an exempt private company incorporated in Singapore with limited liability, principally engaged in investment holding activities and portfolio management. Vendor A owns the entire issued share capital of Vendor B.

Vendor C under the Sale and Purchase Agreement is Caitex Technology Holdings Limited, an investment holding company established under the laws of British Virgin Islands with limited liability. Vendor C is wholly-owned by Chunda International Capital Management Co., Ltd., an investment holding company established under the laws of British Virgin Islands with limited liability, which is in turn wholly-owned by Vendor A.

INFORMATION ON THE TARGET COMPANY AND THE TARGET GROUP

The Target Company, Wealthink AI-Innovation Capital Limited, was incorporated in the Cayman Islands as an exempted company with limited liability. The Target Shares are listed on the main board of the Stock Exchange as an investment company regulated under Chapter 21 of the Listing Rules. The Target Group, comprising the Target Company and its subsidiaries, are principally engaged in investment holding activities in Hong Kong, the PRC and the USA, with the involvement of investment in a diversified portfolio of global investments with respect to both listed and private enterprises.

As at the Latest Practicable Date, to the best of knowledge, information and belief of the Directors and after making all reasonable enquiries, save and except for Vendor A (i.e. Dr. Liu Zhiwei) who is a substantial shareholder of both the Company and the Target Company, together with Vendor B and Vendor C, as companies wholly-owned by Vendor A, the other remaining shareholders of the Target Company and their respective ultimate beneficial owner(s) (where applicable) are third parties independent of and not connected with the Company and its connected persons.

Financial Information of the Target Group

Set out below is the audited consolidated financial information of the Target Company and its subsidiaries for the two years ended 31 March 2023 and 31 March 2024 respectively:

	For the year ended 31 March 2024 *(HK$'000)* (audited)	**For the year ended 31 March 2023** *(HK$'000)* (audited)
Revenue	308,329	192,741
Profit before tax	54,608	149,523
Profit after tax	53,653	146,383

	For the year ended 31 March 2024 *(HK$'000)* (audited)	**For the year ended 31 March 2023** *(HK$'000)* (audited)
Net assets	9,912,620	10,010,755

For the years ended 31 March 2023 and 31 March 2024, the net asset value per share were respectively HK$0.95 and HK$0.94.

REASONS FOR AND BENEFITS OF THE ACQUISITION

On top of the Group's strong presence in the financial services sector with subsidiaries being corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, the Group is also influential in terms of its operation as a cross-border, cross-industry investment platform based in Hong Kong with focus on financial technology innovation.

As demonstrated below, it has always been the Group's plan and intent to expand and diversify its businesses in order to hedge against risks presented in different segments of businesses and thereby propelling the financial performance as a whole. Furthermore, as detailed under the sub-paragraph **(III) Rationale for the Choice of the Target Company** below, with the Target Company as a feasible target, and in view of the potential financial mutualism achievable for the Group and the Target Group described below, the Company and the Vendors reached the consensus after a few rounds of negotiations that (i) despite the steep discount to the acquisition costs of the Sale Shares; and (ii) on top of the elaboration contemplated under the section "**Basis of the Consideration**" above, the Acquisition is advantageous to the Group for reasons elaborated below:

(I) Achieve strategic synergies & Strengthen industry competitiveness and market influence

In line with the Group's core philosophy of "promoting investment banking with investment, nurturing tradition with innovation", it is a primary goal of the Group to expand the scale and scope of its businesses through acquisitions and organic growth. Among the Group's multifold businesses, the Group has a highly prominent growth with respect to its asset management business, both in terms of geographical expansion and the variety of assets and/or financial instruments invested. Over the past years, the Group has established and commenced operation of its Qualified Domestic Limited Partnership, Qualified Foreign Institutional Investor and Qualified Domestic Limited Partnership asset management businesses in the PRC, and has also set up and participated by means of seed money injection in offshore and Hong Kong investment funds which invested in major secondary equity markets globally as well as private equity targets with innovative technologies and high growth potential.

Contemporaneous with the Group's goal since the commencement of the current financial year (i.e. from 1 April 2024) of evolving into a high value-added integrated investment platform and to proactively seek opportunities to enhance shareholders' return in its core business areas, the Directors, in view of the above steady growth and development, consider that the strengthening of its asset management business is of strategic importance to secure a greater market share and strive for a more advantageous market position for the Group's businesses.

Taking into account the recent business development of the Group and the above goals to be achieved, the Company considered the Acquisition presented a good opportunity for the Group to expand investment portfolio with quality assets comprising possibility to invest in the Target Group's diversified investment portfolio and create greater value to the Shareholders owing to (i) the Target Company, with its background as a listed company regulated by chapter 21 of the Listing Rules, is a well-established investment platform with diversified investments globally and a strategic focus on emerging technologies; (ii) the investment into the Target Company will allow the Group to achieve synergistic collaboration with the Target Group by building up a closer business relationship with the Target Group in future; and (iii) the Target Company's profitable track record can immediately contribute to the Group's profitability.

Even though the Group would only be interested in approximately 29.13% of the entire issued share capital of the Target Company, the Board expects the potential synergy could be achieved through the Acquisition by establishing close business collaborations with the Target Group by means of:

(a) as (i) the Group's businesses are highly diversified in different segments of corporate finance; and (ii) the Group's businesses and the Target Group's investments are both strategically focused on emerging industries, business referrals between the Group and the Target Group become highly likely, one possibility is in the case when the Group has a potential investment opportunity with respect to such investment fund to be established for investment on private equity targets seeking initial public offerings, the Group may either collaborate with the Target Group or introduce such opportunity with the Target Group for such investment, either way, the Target Company would benefit from more business opportunities which in turn will benefit the Group as an investor; and

(b) through business collaborations, the Group will enjoy an expansion of the Group's value-added services such as consultancy services on investment, with service quality enhanced taking advantage of the well-established investment platform made available by the Target Company.

With respect to the Target Group's diversified investment portfolio, the investment into which is highly beneficial for the Group as this helps diversify the Group's businesses. While Investments could be alternatively made to individual projects by means of multiple acquisitions, each of such investments may be subject to compliance to disclosure requirements as prescribed under the Listing Rules, thus it could be time-consuming to complete each investment under the Listing Rules especially when such investments are subject to Shareholders' approval requirements. Such compliance requirement, albeit benign, significantly limits the Group's chance of success as the investments will inevitably be delayed pending Shareholders' approval, the rate of success can be further lowered with the disclosure of the terms of investments, which may attract hostility from other potential investors as they may come up with better terms than the Group's offer based on the Group's disclosure.

On the other hand, the Acquisition in contemplation represents a rare opportunity under which the investment portfolio of the Target Group is already well-established and sufficiently diversified, with the Company taking a substantial stake in such portfolio at a reasonable price, at the same time fulfilling the compliance requirements under the Listing Rules regulatory framework.

Having considered the above, the Directors consider that the Acquisition enables the Company to strengthen business synergy with the Target Company and realises long-term development of business resources and capital, with the competitive advantages of the enlarged Group strengthened as a whole by earning recognition and influence in the financial market globally.

(II) Diversification of business risks

Furthermore, the Directors are also of the view that in order to balance and hedge its risks as the Group's businesses grow, the Group has placed focus on the organic growth of its traditional businesses such as securities brokerage, investment banking and asset management, without missing out the nurturing into the innovative technology-related businesses such as Web 3.0, fin-tech and quantum computing. The Group's investments follow the same principle with the investments emphasising on the diversification and expansion of its portfolio.

While investments made into funds are based on their potential and portfolio with diversification in terms of investment targets, fund investments may unavoidably have a pre-established theme or strategy, which derive occasional disadvantages in view of the prevailing market trend when unfavourable news arises with respect to such theme, it is possible for a downturn for the profitability of the investments in funds as a whole. On the other hand, the investment into the Target Company by means of the Acquisition avoids such disadvantages as the Target Group's investments targets on the profitability of investment and are highly diversified into associate companies, unlisted private equity, economic interest, bonds, funds and listed companies' securities, thereby maximising the hedging capability of investments.

(III) Rationale for the Choice of the Target Company

In view of the objectives to be achieved and the advantages contemplated above, it has been the intention of the Company to acquire equity interests from a listed company in Hong Kong focused on investments with a diversified portfolio, with companies regulated under chapter 21 of the Listing Rules being the primary investment targets of the Company, the Target Company has been chosen based on the following rationale:

Firstly, the Company has considered the net asset values of the companies regulated under chapter 21 of the Listing Rules by comparing these companies according to their latest consolidated audited financial statements in their respective annual reports. The Company was of the view that the higher the net asset values, the larger the size was the investments, and accordingly, the probability of a diversified portfolio is higher. By comparison, the Target Company has the highest amongst all.

Secondly, for prudence's sake, the Company has taken into consideration three (3) other companies regulated under chapter 21 of the Listing Rules with net asset values amounting to approximately HK$1,000,000,000.00 (the "**One Billion Comparable Company(ies)**"). Amongst these One Billion Comparable Companies, each of the two companies with the largest net asset values has state-owned enterprises as its single largest shareholder. The Company excluded those two since negotiations with state-owned enterprises would be prolonged and cumbersome given their various administrative procedures.

Thirdly, the Company has also excluded the One Billion Comparable Company with the smallest net asset values, as that company focused its investments on listed securities. Investing into such company will not match with Company's target to invest into a diversified portfolio and in view of the loss-making financial position of that One Billion Comparable Company as opposed to the Target Company's profitable track record, the Company considered that investing into the Target Company by means of the Acquisition is comparatively more beneficial to the Company and will correspondingly contribute to an overall improvement of the Company's financial position.

Fourthly, the Target Shares have been chosen as the target of the Acquisition not only because the Target Company represents a diversified investment portfolio, but also due to the significant discount made available by the Vendors, with the Consideration in the amount of HK$302,647,304.00 representing an approximate discount of 88.79% to the acquisition costs of the Sale Shares by the Vendors (i.e. approximately HK$2,700,000,000.00).

(IV) Other Advantages with respect to the Acquisition

It is noted that (a) the allotment and issue of the Consideration Shares by the Company to satisfy the Consideration will, upon Completion, have a dilution effect on the shareholding of the existing Shareholders by approximately 4.56% (as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of Consideration Shares)); and (b) the price per Sale Share (i.e. HK$0.110) represents a premium of 6.36% to the closing price of HK$0.103 per Target Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement.

Despite the dilution impact of the Shareholders and the downward trend of the trading price of the Target Shares, the Company considered the benefits and advantages elaborated above have outweighed these factors taking into account that (a) the dilution impact of 4.56% demonstrated above is minimal; and (b) under the sub-paragraph headed "**(II) Prevailing market price and the Net Asset Value per Target Share**" under "**Basis of the Consideration**" above, the price per Sale Share to the reference prices thereunder has been comparatively similar, the consequential premium or discount by comparison had been minimum, showing that despite a downward trend, the trend was levelling off during the one-month period prior to the execution of the Sale and Purchase Agreement and the minimal deviation in price reflects similar market sentiments and conditions towards the Target Company.

Additionally, by satisfying the Consideration entirely with the allotment and issue of the Consideration Shares, the immediate burden to the Company's financial resources can be reduced since the issue of the Consideration Shares will not result in any cash to be paid by the Group for the Consideration upon Completion, thereby alleviating the immediate material cash outflow pressure on the Group, safeguarding its imminent financial position. As opposed to which, the alternative settlement method of the Consideration (i.e. by cash) will inevitably place needless pressure of cash outflow on the Group and is therefore not considered.

Last but not least, owing to the illiquid trading of the Target Company, the Acquisition, should it be made in open market, may be time consuming and lead to price fluctuation of the Target Company, the Acquisition made via an off-market trade with the Vendors would be more preferable to avoid unnecessary volatility for the Target Shares' price.

Accordingly, the Directors (including the independent non-executive Directors whose views will be set out in the letter from the Independent Board Committee in this circular) consider that although the transactions contemplated under the Sale and Purchase Agreement, including the allotment and issuance of the Consideration Shares under the Specific Mandate, are not in the ordinary and usual course of business of the Group, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder (including the allotment and issuance of the Consideration Shares under the Specific Mandate at the Issue Price) are on normal commercial terms agreed upon after arm's length negotiations between the parties with reference to the prevailing market conditions and are fair and reasonable, and are in the interests of the Group and the Shareholders as a whole.

None of the Directors has any material interest in the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder and is required to abstain from voting on the board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

FINANCIAL EFFECT OF THE ACQUISITION

Immediately prior to the Completion, the Group is beneficially interested in 313,115,385 Target Shares (representing approximately 2.98% of the entire issued share of the Target Company as at the Latest Practicable Date). Upon Completion, the Company will be beneficially interested in 3,064,414,515 Target Shares, representing approximately 29.13% equity interest in the Target Company as at the Latest Practicable Date. The Target Company will become an associate of the Group, and the financial results of the Target Group will be accounted for in the consolidated financial statements of the Group as investment in an associate using the equity method of accounting.

As referred to in the unaudited pro forma financial information of the Enlarged Group as set out in Appendix V to this circular, on the basis of the notes set out therein for the purposes of illustrating the effects of the Acquisition, the financial effects of the Acquisition on the Group as if the Acquisition had taken place and had been completed on 31 March 2024 would be as follows:

(a) As for assets and liabilities of the Group, the total assets will increase by HK$2,844,949,000; and

(b) It is expected that, subject to audit, there will be no financial effect to the revenue of the Group after Completion as the income of the Target Group will not be consolidated into that of the Group.

LISTING RULES IMPLICATIONS

Chapter 14A of the Listing Rules

As at the Latest Practicable Date, Vendor A, Dr. Liu Zhiwei, is a substantial shareholder of the Company. Furthermore, Dr. Liu Zhiwei is beneficially interested in the entire issued share capital of both Vendor B and Vendor C. Therefore, as Vendor A is a connected person of the Company under the Listing Rules and Vendor B and Vendor C are both associates of Vendor A, a connected person of the Company, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 5%, the Acquisition pursuant to the Sale and Purchase Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules and is therefore subject to the reporting, announcement, circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Chapter 14 of the Listing Rules

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholder's approval requirements under Chapter 14 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive directors of the Company (i.e. Mr. CHAN Kin Sang, Mr. CHIU Kung Chik and Ms. LUI Mei Ka) has been formed to consider, and make recommendations to Independent Shareholders regarding, amongst other things, whether the terms of the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Sale and Purchase Agreement.

Pursuant to Rule 13.39(6) of the Listing Rules, Draco Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder.

EGM

The Company will convene the EGM at Units No. 4102-06, 41/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Friday, 4 October 2024 at 11:00 a.m. to consider and, if thought fit, approve, among other things, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder. A notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

The votes to be taken at the EGM will be taken by poll, an announcement on the poll vote results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for the EGM is enclosed with this circular and such form of proxy is also published on the Company's website (http://www.290.com.hk) and the designated website of the Stock Exchange (http://www.hkexnews.hk) respectively. Whether or not you wish to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM (or any adjourned meeting). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjourned meeting) if you so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

In order to determine the eligibility of the Shareholders to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration by no later than 4:00 p.m. on Friday, 27 September 2024. Shareholders whose names appear on the register of members of the Company on Friday, 27 September 2024 are entitled to attend and vote at the EGM.

In view of Dr. Liu Zhiwei's interest in the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, and as Dr. Liu Zhiwei has no associate which controls any issued share capital of the Company to the best of knowledge, information and belief of the Directors and after making all reasonable enquiries as at the Latest Practicable Date, Dr. Liu Zhiwei is required to abstain from voting at the EGM on the resolution(s) approving the same. As at the Latest Practicable Date, Dr. Liu Zhiwei is beneficially interested in 1,244,258,000 Shares (representing approximately 17.48% of the entire issued share capital of the Company as at the Latest Practicable Date), and he controls or is entitled to exercise control over the voting rights in respect of the aforesaid number of Shares. Save for the aforementioned and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholder has a material interest in the Acquisition and is required to abstain from voting on the resolution approving the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Consideration Shares under the Specific Mandate at the EGM.

RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee as set out on pages IBC-1 to IBC-2 of this circular which contains its recommendation to the Independent Shareholders on the Acquisition and the Sale and Purchase Agreement. Your attention is also drawn to the letter of advice received from Draco Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out on pages IFA-1 to IFA-26 of this circular which contains, among others, its advice to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition and the Sale and Purchase Agreement, the casting of votes for or against the resolution(s) approving the above, as well as the principal factors and reasons considered by it in concluding its advice.

The Directors (including the independent non-executive Directors, whose opinions and recommendation, after considering the advice from the Independent Financial Adviser, are set out in the section headed "Letter from the Independent Board Committee" in this circular) are of the view that the terms of the Acquisition, the Sale and Purchase Agreement and the transactions contemplated hereunder (including allotment and issuance of the Consideration Shares at the Issue Price under the Specific Mandate) are fair and reasonable and are in the interests of the Company and its Shareholders as a whole, and they recommend the Shareholders to vote in favour of the resolution(s) at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the letter of advice from the Independent Financial Adviser set out in pages IFA-1 to IFA-26 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the Acquisition and the Sale and Purchase Agreement and the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular which contains its recommendation to the Independent Shareholders in relation to the Acquisition and the Sale and Purchase Agreement. Furthermore, your attention is also drawn to the additional information set out in the appendices to this circular.

Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction or waiver (if applicable) of certain Conditions Precedent and the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By Order of the Board
GoFintech Innovation Limited
CHAN Kin Sang
Chairman and Independent Non-executive Director

The following is the text of a letter from the Independent Board Committee setting out its advice and recommendation to the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder.

GoFintech Innovation Limited
國富創新有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 290)
Website: https://290.com.hk

17 September 2024

To the Independent Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE SHARES IN THE TARGET COMPANY LISTED ON THE STOCK EXCHANGE INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

We refer to the circular dated 17 September 2024 issued by the Company (the "**Circular**"), of which this letter forms part. Terms used in this letter shall bear the same meanings as given to them in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder and to advise the Independent Shareholders as to the fairness and reasonableness of the aforesaid matters, and to recommend how the Independent Shareholders should vote at the EGM. Draco Capital Limited has been appointed as the Independent Financial Advisor to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 6 to 24 of the Circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, as set out on pages IFA-1 to IFA-26 of the Circular.

Having taken into account the (i) terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Consideration Shares under the Specific Mandate; and (ii) the factors referred to in the "Letter from Independent Financial Adviser" in the Circular, we are of the opinion that despite the entering into of the Sale and Purchase Agreement was not in the ordinary and usual course of business of the Company, the Acquisition, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are (i) fair and reasonable so far as the Shareholders (including the Independent Shareholders) are concerned; (ii) on normal commercial terms; and (iii) in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including allotment and issuance of the Consideration Shares at the Issue Price under the Specific Mandate.

Yours faithfully,
the Independent Board Committee

Mr. CHAN Kin Sang	**Mr. CHIU Kung Chik**	**Ms. LUI Mei Ka**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter from Draco Capital Limited setting out their advice to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.

瓏盛資本有限公司
Draco Capital Limited

4/F Connaught Harbourfront House
35 Connaught Road West,
Sheung Wan, Hong Kong

17 September 2024

To the Independent Board Committee and the Independent Shareholders of GoFintech Innovation Limited

Dear Sir or Madam,

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE SHARES IN THE TARGET COMPANY LISTED ON THE STOCK EXCHANGE INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the issue of the Consideration Shares under the Specific Mandate, details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular dated 17 September 2024 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

LISTING RULES IMPLICATIONS

Chapter 14A of the Listing Rules

As at the Latest Practicable Date, Vendor A, Dr. Liu Zhiwei, is a substantial shareholder of the Company. Furthermore, Dr. Liu Zhiwei is beneficially interested in the entire issued share capital of both Vendor B and Vendor C. Therefore, as Vendor A is a connected person of the Company under the Listing Rules and Vendor B and Vendor C are both associates of Vendor A, a connected person of the Company, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 5%, the Acquisition pursuant to the Sale and Purchase Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules and is therefore subject to the reporting, announcement, circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Chapter 14 of the Listing Rules

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceed 100%, the Acquisition constitutes a very substantial acquisition under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholder's approval requirements under Chapter 14 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive directors of the Company (i.e. Mr. CHAN Kin Sang, Mr. CHIU Kung Chik and Ms. LUI Mei Ka) has been formed to consider, and make recommendations to Independent Shareholders regarding, amongst other things, whether the terms of the Sale and Purchase Agreement, the Acquisition and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole. None of the members of the Independent Board Committee has any interest or involvement in the transactions contemplated under the Sale and Purchase Agreement.

OUR INDEPENDENCE

In the last two years, prior to the Latest Practicable Date, apart from our appointment as the independent financial adviser of the Company to advise the then independent board committee and the independent shareholders of the Company in relation to (i) the proposed rights issue, details of which are set out in the circular of the Company dated 1 December 2023; and (ii) the proposed refreshment of general mandate, details of which are set out in the circular of the Company dated 20 June 2023, we have not acted in any capacity in relation to any transactions of the Company. As at the Latest Practicable Date, we do not have any relationship with, or have any interest in, the Group and its associates that could reasonably be regarded as relevant to our independence. Apart from the normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no other arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence as defined under Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the "**Management**"); and (iv) our review of the relevant public information.

We have assumed that all the information provided, and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon and continue to be so up to the date of the EGM. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and continue to be so up to the date of the EGM and all such statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the EGM. Independent Shareholders will be informed of any material change of information and the representations made or referred to in the Circular as soon as possible up to the date of the EGM.

We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. In formulating our recommendation in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the issue of the Consideration Shares under the Specific Mandate and pursuant to Rule 13.80(2), we have obtained and reviewed the relevant information in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Acquisition and the issue of the Consideration Shares under the Specific Mandate, among others, (i) the annual report for the year ended 31 March 2024 of the Company (the "**2024 Annual Report**"); (ii) the recent announcements of the Company; and (iii) the information set out in the Circular.

We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter. We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made, or opinion expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Acquisition and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations to the Independent Shareholders, we have taken into consideration the following principal factors and reasons. Our conclusions are based on the results of all analyses taken as a whole.

1 BACKGROUND INFORMATION OF THE COMPANY

1.1 INFORMATION ON THE COMPANY AND THE GROUP

The Company is an investment holding company whereas the Group is a cross-border, cross-industry investment platform based in Hong Kong with focus on financial technology innovation, backed by the Greater Bay Area, and with focus on the international market. The Group has a strong presence in the financial services sector, comprising subsidiaries which (i) are corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO; and (ii) provide money lending services. The principally-engaged businesses of the Group include investment banking, securities brokerage, asset management, margin financing, insurance brokerage, money lending, debt and equity investment and immigration consulting.

1.2 FINANCIAL PERFORMANCE ON THE GROUP

With reference to the 2024 Annual Report, for the year ended 31 March 2024 ("**FY2024**"), the Group recorded revenue and net losses on investments at fair value through profit or loss in the net amount of approximately HK$45,975,000, representing an increase of approximately 106.05% from approximately HK$22,313,000 for the year ended 31 March 2023. The increase was mainly attributable to the increase in income generated from the securities brokerage business as well as interest revenue from the money lending business.

The business of securities brokerage and margin financing is one of the main revenue streams of the Group. During FY2024, the business of securities brokerage and margin financing recorded revenue (including inter-segment revenue) and net investment losses of net amount of approximately HK$37,051,000, representing an increase of approximately 406.92% as compared to the revenue (including inter-segment revenue) and net investment gains of approximately HK$7,309,000 in total in 2023.

The segment profit for FY2024 amounted to approximately HK$8,572,000 (2023: segment loss of approximately HK$12,428,000). The turnaround from segment loss to profit was mainly attributable to the increase in income from the securities brokerage business.

The corporate finance market was under keen competition during FY2024. Segment revenue (excluded inter-segment revenue) from corporate finance business decreased by approximately 13.32% from approximately HK$5,444,000 to approximately HK$4,719,000, while the segment loss for FY2024 amounted to approximately HK$2,789,000 (2023: segment profit of approximately HK$14,446,000). By excluding the inter-segment revenue, the segment loss was approximately HK$8,504,000 in 2023.

During FY2024, the money lending market was under intensive competition locally. The Group recorded an interest revenue from money lending business of approximately HK$4,542,000 (2023: approximately HK$2,788,000), representing an increase of approximately 62.91% as compared to 2023. The segment loss for FY2024 amounted to approximately HK$476,000 (2023: approximately HK$3,005,000).

During FY2024, the Group recorded a segment revenue (including inter-segment revenue) from consultancy services and insurance brokerage services of approximately HK$611,000 (2023: approximately HK$813,000), representing a reduction of approximately 24.85% as compared to 2023. The segment loss for FY2024 was approximately HK$196,000 (2023: approximately HK$67,000).

During FY2024, the Group recorded a segment revenue from asset management of approximately HK$4,784,000 (2023: approximately HK$10,885,000), representing a decrease of approximately 56.05% as compared to 2023. The decrease in segment revenue was mainly attributable to decrease in management fee income generated during FY2024. The segment loss for FY2024 was approximately HK$1,262,000 (2023: approximately HK$91,000).

During FY2024, the Group recorded a segment revenue and net investment loss from equity investment of net amount of approximately HK$3,453,000 (2023: approximately HK$4,500,000). The segment loss for FY2024 amounted to approximately HK$7,244,000 (2023: approximately HK$5,149,000).

The Group recorded a loss of approximately HK$30,679,000 for FY2024, as compared to the loss of approximately HK$58,855,000 in 2023. The overall loss position of the Group has improved in FY2024 mainly due to (i) an increase in revenue generated from the licensed businesses of the Group; (ii) an increase in other income which was mainly consisted of gain on bargain purchase of an associate and interest revenue from financial institutions; (iii) a decrease in expected credit losses on loan and trade receivables; and (iv) a decrease in both staff costs and finance costs during FY2024.

During FY2024, the Group mainly financed its operations by cash generated from operating activities and proceeds from fund-raising activities.

As at 31 March 2024, the Group's current assets and current liabilities were approximately HK$864,100,000 (as at 31 March 2023: approximately HK$369,299,000) and approximately HK$290,652,000 (as at 31 March 2023: approximately HK$177,169,000) respectively, while the current ratio was about 2.97 times (as at 31 March 2023: 2.08 times).

As at 31 March 2024, the Group's aggregate cash and cash equivalents amounted to approximately HK$289,257,000 (as at 31 March 2023: approximately HK$111,748,000), of which approximately 98.22% was denominated in Hong Kong dollars ("**HK$**") (as at 31 March 2023: approximately 82.48%), approximately 1.47% was denominated in United States dollars ("**USD**") (as at 31 March 2023: approximately 11.88%), approximately 0.27% was denominated in Renminbi ("**RMB**") (as at 31 March 2023: 5.52%), and approximately 0.04% was denominated in SGD (as at 31 March 2023: approximately 0.12%), representing 33.47% (as at 31 March 2023: approximately 30.26%) of total current assets. As at 31 March 2024, the Group had no bank borrowing (as at 31 March 2023: nil).

1.3 INFORMATION ON THE PURCHASER

The Purchaser under the Sale and Purchase Agreement is an investment holding company incorporated in the British Virgin Islands with limited liability, and it is a wholly-owned subsidiary of the Company.

1.4 INFORMATION ON VENDORS

Vendor A under the Sale and Purchase Agreement is Dr. Liu Zhiwei, a substantial shareholder of the Company, one of the executive directors and a substantial shareholder of the Target Company.

Vendor B under the Sale and Purchase Agreement is Trenda Capital Pte. Ltd., an exempt private company incorporated in Singapore with limited liability, principally engaged in investment holding activities and portfolio management. Vendor A owns the entire issued share capital of Vendor B.

Vendor C under the Sale and Purchase Agreement is Caitex Technology Holdings Limited, an investment holding company established under the laws of British Virgin Islands with limited liability. Vendor C is wholly owned by Chunda International Capital Management Co., Ltd., an investment holding company established under the laws of British Virgin Islands with limited liability, which is in turn wholly-owned by Vendor A.

1.5 INFORMATION ON THE TARGET COMPANY AND THE TARGET GROUP

The Target Company, Wealthink AI-Innovation Capital Limited, was incorporated in the Cayman Islands as an exempted company with limited liability. The Target Shares are listed on the main board of the Stock Exchange as an investment company regulated under Chapter 21 of the Listing Rules. The Target Group, comprising the Target Company and its subsidiaries, are principally engaged in investment holding activities in Hong Kong, the PRC and the USA, with the involvement of investment in a diversified portfolio of global investments with respect to both listed and private enterprises.

As at the Latest Practicable Date, to the best of knowledge, information and belief of the Directors and after making all reasonable enquiries, save and except for Vendor A (i.e. Dr. Liu Zhiwei) who is a substantial shareholder of both the Company and the Target Company, together with Vendor B and Vendor C, as companies wholly-owned by Vendor A, the other remaining shareholders of the Target Company and their respective ultimate beneficial owner(s) (where applicable) are third parties independent of and not connected with the Company and its connected persons.

Financial Information of the Target Group

Set out below is the audited consolidated financial information of the Target Company and its subsidiaries for the two years ended 31 March 2023 and 31 March 2024 respectively:

	For the year ended 31 March 2024 *(HK$'000)* (audited)	**For the year ended 31 March 2023** *(HK$'000)* (audited)
Revenue	308,329	192,741
Profit before tax	54,608	149,523
Profit after tax	53,653	146,383

As at 31 March 2024, the Target Group's net asset value was HK$9,912.62 million, or HK$0.94 per share, as compared to HK$10,010.76 million and HK$0.95 per share respectively as at 31 March 2023.

2 REASONS FOR AND BENEFITS OF THE ACQUISITION

On top of the Group's strong presence in the financial services sector with subsidiaries being corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, the Group is also influential in terms of its operation as a cross-border, cross-industry investment platform based in Hong Kong with focus on financial technology innovation.

Based on our discussions with the Management, the Company has expressed that the Acquisition is advantageous to the Group for reasons elaborated below:

(I) Achieve strategic synergies

With reference to the 2024 Annual Report, we note that the action philosophy of the Group is "promoting investment banking with investment, nurturing tradition with innovation". Thus, we concur with the Company that it is a primary goal of the Group to expand the scale and scope of its businesses through acquisitions and organic growth. Among the Group's multifold businesses, the Group has a highly prominent growth with respect to its asset management business, both in terms of geographical expansion and the variety of assets and/or financial instruments invested.

With reference to the financial information of the Company, we note that the Group has established and commenced operation of its Qualified Domestic Limited Partnership, Qualified Foreign Institutional Investor and Qualified Domestic Limited Partnership asset management businesses in the PRC, and has also set up and participated by means of seed money injection in offshore and Hong Kong investment funds which invested in major secondary equity markets globally as well as private equity targets with innovative technologies and high growth potential over the past years.

We have further discussed with the Management and note that contemporaneous with the Group's goal since the commencement of the current financial year (i.e. from 1 April 2024) of evolving into a high value-added integrated investment platform and to proactively seek opportunities to enhance shareholders' return in its core business areas, the Directors, in view of the above steady growth and development, consider that the strengthening of its asset management business is of strategic importance to secure a greater market share and strive for a more advantageous market position for the Group's businesses.

Taking into account the recent business development of the Group and the above goals to be achieved, the Company considered the Acquisition presented a good opportunity for the Group to expand investment portfolio with quality assets comprising possibility to invest in the Target Group's diversified investment portfolio and create greater value to the Shareholders owing to (i) the Target Company, with its background as a listed company regulated by chapter 21 of the Listing Rules, is a well-established investment platform with diversified investments globally and a strategic focus on emerging technologies; (ii) the investment into the Target Company will allow the Group to achieve synergistic collaboration with the Target Group by building up a closer business relationship with the Target Group in future; and (iii) the Target Company's profitable track record can immediately contribute to the Group's profitability.

We note that the Group would only be interested in approximately 29.13% of the entire issued share capital of the Target Company. Pursuant to our discussion with the Management, we understand that the Board expects the potential synergy could be achieved through the Acquisition by establishing close business collaborations with the Target Group by means of:

(a) as (i) the Group's businesses are highly diversified in different segments of corporate finance; and (ii) the Group's businesses and the Target Group's investments are both strategically focused on emerging industries, business referrals between the Group and the Target Group become highly likely, one possibility is in the case when the Group has a potential investment opportunity with respect to such investment fund to be established for investment on private equity targets seeking initial public offerings, the Group may either collaborate with the Target Group or introduce such opportunity with the Target Group for such investment, either way, the Target Company would benefit from more business opportunities which in turn will benefit the Group as an investor; and

(b) through business collaborations, the Group will enjoy an expansion of the Group's value-added services such as consultancy services on investment, with service quality enhanced taking advantage of the well-established investment platform made available by the Target Company.

With respect to the Target Group's diversified investment portfolio, the investment into which is highly beneficial for the Group as this helps diversify the Group's businesses. While Investments could be alternatively made to individual projects by means of multiple acquisitions, each of such investments may be subject to compliance to disclosure requirements as prescribed under the Listing Rules, thus it could be time-consuming to complete each investment under the Listing Rules especially when such investments are subject to Shareholders' approval requirements. Such compliance requirement, albeit benign, significantly limits the Group's chance of success as the investments will inevitably be delayed pending Shareholders' approval, the rate of success can be further lowered with the disclosure of the terms of investments, which may attract hostility from other potential investors as they may come up with better terms than the Group's offer based on the Group's disclosure.

As such the Company expressed that the Acquisition in contemplation represents a rare opportunity under which the investment portfolio of the Target Group is already well-established and sufficiently diversified, with the Company taking a substantial stake in such portfolio at a reasonable price, at the same time fulfilling the compliance requirements under the Listing Rules regulatory framework.

Based on our discussion with the Management, we understand that the Company intends to expand and diversify its investment portfolio by acquiring shares in the Target Company, thereby leveraging the investment strategies and insights of the Target Company. The Acquisition will enable the Company to tap into the Target Company's expertise in identifying promising investment opportunities and navigating market trends, and the Company's investment would be benefit as a result. We are also aware that by further expanding its portfolio through the Acquisition, the Group could create an integrated portfolio with the full spectrum of products and services.

We have further reviewed the annual report of the Target Company for FY2024 and note that, during this period, the Target Company underwent comprehensive adjustments and optimization of its investment strategy. The Target Company's investment strategy for FY2024 comprises four pillars, namely core-holding-centered unlisted equity investment, debt investment, fund investment and listed equity investment. We also note that the Target Company's unlisted equity investment strategy focuses on exploring and investing in unlisted enterprises with long-term growth potential, providing necessary capital support through direct investment or the purchase of economic interest, and sharing in their growth dividends. Its debt investment strategy aims to obtain stable and fixed income through the purchase of bonds or by providing loans. The fund investment strategy seeks to participate in diversified investment opportunities, leveraging the industry experience and market insights of professional fund management companies to achieve decentralized allocation and professional management of assets. Its listed equity investment strategy primarily focuses on short-term investment opportunities in the secondary market, both within and outside the PRC, to balance the portfolio's liquidity and rate of return. By combining with these four major investment strategies, we are aware that the Target Company strives to build a balanced and efficient portfolio that delivers continuous and steady investment returns to its shareholders.

Based on our study on the annual report of the Target Company for FY2024, we further noted that unlisted equity investment is a key component of its investment strategy. The Target Company is committed to seeking unlisted enterprises with long-term growth potential and market competitiveness, providing support through direct equity investment or the purchase of their economic interest, thereby reaping considerable investment returns from their growth. The Target Company primarily divides unlisted equity investment into two categories: long-term core holding and other unlisted equity investments.

We note that one of the companies categorized as the Target Company's long-term core holding portfolio is iCarbonX Group Limited ("**iCarbonX**"). Based on our study, iCarbonX is a global pioneer in artificial intelligence and precision health management, aiming to build an ecosystem of digital life that integrates individuals' life data, the internet, and artificial intelligence. Its founding team comprises some of the world's top biologists with extensive experience in multi-omics technology, medical service, biological data analysis, artificial intelligence and data mining. With a vision of further developing the

Digital Life ecosystem, iCarbonX continues to focus on its business direction. Specifically, with its unique peptide chip, a biasfree protein binding technology, iCarbonX plans to concentrate on the development of peptide drugs, in vitro diagnostics, smart chip manufacturing, medical and technology services in the future.

Meanwhile, the Target Company's long-term core holding portfolio includes an asset management company based in Hong Kong, which manages both private and public funds. This firm provides investment advisory services to Asian and global investors, with a dedicated focus on investment in the PRC. The Target Company's long-term core holding portfolio also includes a leading hedge fund platform in Asia that serves both global and Asia-based managers, helping them develop funds across diversified strategies for institutional and professional investors.

Upon have further reviewed the 2024 Annual Report, we note that the Company recognizes revenue from various sources, including service income from corporate finance, income from asset management business, income from securities brokerage business, income from consultancy and insurance brokerage business, income from equity investment business, margin interest revenue from securities brokerage business, interest revenue from money lending business and interest revenue from equity investment business. Furthermore, the Company would engage in various private equity investments, such as pre-IPO investments.

Based on the principal business of the Company and part of the investment portfolio of the Target Company, we are of the view that although the Company does not directly control the Target Company, its status as a substantial shareholder enhances the potential for business referrals between the two entities. This position enables the Company to foster strong relationships and collaborate effectively with the Target Company, facilitating communication and alignment of mutual interests. By leveraging its influence and commitment, the Company can identify and promote emerging opportunities, ultimately creating a synergistic environment where both parties can benefit from increased business prospects.

Furthermore, the Target Company's long-term core holdings portfolio include a Hong Kong-based asset management firm that manages both public and private funds while providing investment advisory services to Asian and international investors, with a particular emphasis on opportunities in the PRC. Additionally, such portfolio features a leading hedge fund platform in Asia, which supports managers from both the region and around the globe in developing a range of diversified fund strategies for institutional and professional investors. Through strategic partnerships, the Group stands to enhance its value-added services, particularly in investment consulting, benefiting from the Target Company's established investment platform to improve service quality and deliver greater value to its clients.

Thus, we concur with the view of the Directors that the Acquisition enables the Company to strengthen business synergy with the Target Company and realizes long-term development of business resources and capital, with the competitive advantages of the enlarged Group strengthened as a whole by earning recognition and influence in the financial market globally.

(II) Diversification of business risks

Furthermore, with reference to the 2024 Annual Report, we note that the Company is keenly aware that the current economic growth model is undergoing rapid changes. Technological changes in artificial intelligence, big data, blockchain, Web 3.0 and other fields are accelerating the restructuring of many industries.

As such, the Directors are also of the view that in order to balance and hedge its risks as the Group's businesses grow, the Group has placed focus on the organic growth of its traditional businesses such as securities brokerage, investment banking and asset management, without missing out the nurturing into the innovative technology-related businesses such as Web 3.0, fin-tech and quantum computing.

Based on our discussion with the Management, the Group's investments follow the same principle with the investments emphasizing on the diversification and expansion of its portfolio.

While investments made into funds are based on their potential and portfolio, fund investments may unavoidably have a pre-established theme or strategy, which derive occasional disadvantages in view of the prevailing market trend when unfavorable news arises with respect to such theme, it is possible for a downturn for the profitability of the investments in funds as a whole.

As such, we concur with the view of the Company that the investment into the Target Company by means of the Acquisition avoids such disadvantages as the Target Group's investments targets on the profitability of investment and are highly diversified into associate companies, unlisted private equity, economic interest, bonds, funds and listed companies' securities, thereby maximizing the hedging capability of investments.

(III) Rationale for the Choice of the Target Company

In view of the objectives to be achieved and the advantages contemplated above, it has been the intention of the Company to acquire equity interests from a listed company in Hong Kong focused on investments with a diversified portfolio, with companies regulated under chapter 21 of the Listing Rules being the primary investment targets of the Company, we note that the Target Company has been chosen based on the following rationale:

Firstly, the Company has considered the net asset values of the companies regulated under chapter 21 of the Listing Rules by comparing these companies according to their latest consolidated audited financial statements in their respective annual reports. The Company was of the view that the higher the net asset values, the larger the size was the investments, and accordingly, the probability of a diversified portfolio is higher. By comparison, the Target Company has the highest amongst all.

Secondly, for prudence's sake, the Company has taken into consideration three (3) other companies regulated under chapter 21 of the Listing Rules with net asset values amounting to approximately HK$1,000,000,000.00 (the "**One Billion Comparable Company(ies)**"). Amongst these One Billion Comparable Companies, each of the two companies with the largest net asset values has state-owned enterprises as its single largest shareholder. The Company excluded those two since negotiations with state-owned enterprises would be prolonged and cumbersome given their various administrative procedures.

Thirdly, the Company has also excluded the One Billion Comparable Company with the smallest net asset values, as that company focused its investments on listed securities. Investing into such company will not match with Company's target to invest into a diversified portfolio and in view of the loss-making financial position of that One Billion Comparable Company as opposed to the Target Company's profitable track record, the Company considered that investing into the Target Company by means of the Acquisition is comparatively more beneficial to the Company and will correspondingly contribute to an overall improvement of the Company's financial position.

Fourthly, the Target Shares have been chosen as the target of the Acquisition not only because the Target Company represents a diversified investment portfolio, but also due to the significant discount made available by the Vendors, with the Consideration in the amount of HK$302,647,304.00 representing an approximate discount of 88.79% to the acquisition costs of the Sale Shares by the Vendors (i.e. approximately HK$2,700,000,000.00).

(IV) Other Advantages with respect to the Acquisition

On top of the above, according to the table set out under the section headed "EFFECTS ON SHAREHOLDINGS STRUCTURE OF THE COMPANY" of the Board Letter, (a) the allotment and issue of the Consideration Shares by the Company to satisfy the Consideration will, upon Completion, have a dilution effect on the shareholding of the existing other public Shareholders by approximately 4.56% (as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of Consideration Shares)); and (b) the price per Sale Share (i.e. HK$0.110) represents a premium of 6.36% to the closing price of HK$0.103 per Target Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement.

Despite the dilution impact of the Shareholders and the downward trend of the trading price of the Target Shares, we concur with the view of the Company that the benefits and advantages elaborated above have outweighed these factors taking into account that (a) the dilution impact of 4.56% demonstrated above is minimal; and (b) under the sub-paragraph headed "(II) Prevailing market price and the Net Asset Value per Target Share" under "Basis of the Consideration" in the Board Letter, the price per Sale Share to the reference prices thereunder has been comparatively similar, the consequential premium or discount by comparison had been minimum, showing that despite a downward trend, the trend was levelling off during the one-month period prior to the execution of the Sale and Purchase Agreement and the minimal deviation in price reflects similar market sentiments and conditions towards the Target Company.

Additionally, based on the our discussion with the Management, we concur with the view of the Company that by satisfying the Consideration entirely with the allotment and issue of the Consideration Shares, the immediate burden to the Company's financial resources can be reduced since the issue of the Consideration Shares will not result in any cash to be paid by the Group for the Consideration upon Completion, thereby alleviating the immediate material cash outflow pressure on the Group, safeguarding its imminent financial position. As opposed to which, the alternative settlement method of the Consideration (i.e. by cash) will inevitably place needless pressure of cash outflow on the Group and is therefore not considered.

Furthermore, the Management has expressed that owing to the illiquid trading of the Target Company, the Acquisition, should it be made in open market, may be time consuming and lead to price fluctuation of the Target Company, we concur with the view of the Company that the Acquisition made via an off-market trade with the Vendors would be more preferable to avoid unnecessary volatility for the Target Shares' price.

Having considered the above, we concur with the Directors that although the transactions contemplated under the Sale and Purchase Agreement, including the allotment and issuance of the Consideration Shares under the Specific Mandate, are not in the ordinary and usual course of business of the Group, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder (including the allotment and issuance of the Consideration Shares under the Specific Mandate at the Issue Price) are on normal commercial terms agreed upon after arm's length negotiations between the parties with reference to the prevailing market conditions and are fair and reasonable, and are in the interests of the Group and the Shareholders as a whole.

In view of Dr. Liu Zhiwei's interest in the Acquisition, and as Dr. Liu Zhiwei has no associate which controls any issued share capital of the Company to the best of knowledge, information and belief of the Directors and after making all reasonable enquiries as at the Latest Practicable Date, Dr. Liu Zhiwei is required to abstain from voting at the EGM on the resolutions approving the same. As at the Latest Practicable Date, Dr. Liu Zhiwei is beneficially interested in 1,244,258,000 Shares (representing approximately 17.48% of the entire issued share capital of the Company as at the Latest Practicable Date), and he controls or is entitled to exercise control over the voting rights in respect of the aforesaid number of Shares. Save for the aforementioned and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholder has a material interest in the Acquisition and is required to abstain from voting on the resolution approving the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the issue of the Consideration Shares under the Specific Mandate at the EGM.

3 PRINCIPAL TERMS OF THE ACQUISITION

On 23 August 2024 (after trading hours of the Stock Exchange), the Company, the Purchaser (a wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendors, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares, being 2,751,339,130 Target Shares (representing approximately 26.15% of the entire issued share capital of the Target Company), at the Consideration in the amount of HK$302,647,304.00. The Consideration shall be satisfied by allotment and issuance of the Consideration Shares at the Issue Price under the Specific Mandate to be sought by the Company at the EGM.

Set out below are the principal terms of the Sale and Purchase Agreement, details of which are set out in the Board Letter:

Date

23 August 2024 (after trading hours of the Stock Exchange)

Parties to the Sale and Purchase Agreement

(a) The Company (as issuer of the Consideration Shares);

(b) The Purchaser (a wholly-owned subsidiary of the Company, as purchaser); and

(c) The Vendors (as vendors):

  (i) Vendor A;

  (ii) Vendor B; and

  (iii) Vendor C.

Subject Matter of the Acquisition

Pursuant to the terms of the Sale and Purchase Agreement, the Purchaser (a wholly-owned subsidiary of the Company) has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell the Sale Shares, being 2,751,339,130 Target Shares (representing approximately 26.15% of the entire issued share capital of the Target Company), at the Consideration in the amount of HK$302,647,304.00. The Consideration shall be satisfied by the allotment and issue of the Consideration Shares at the Issue Price (i.e. approximately HK$0.89 per Share) under the Specific Mandate to be sought by the Company at the EGM.

Acquisition cost of the Sale Shares by the Vendors was in aggregate approximately HK$2,700 million.

CONSIDERATION FOR THE ACQUISITION

With respect to the Acquisition, the Consideration is in the amount of HK$302,647,304.00 (being approximately HK$0.110 per Sale Share). The Consideration shall be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price (i.e. approximately HK$0.89 per Share) under the Specific Mandate to be sought by the Company at the EGM.

Basis of the Consideration

The Consideration was arrived at based on normal commercial terms after arm's length negotiation among the parties to the Sale and Purchase Agreement after taking into account, among others, (i) the historical trading price of the Target Shares and its Trend, and (ii) the prevailing market price and the net asset value per Target Share.

Our Analysis

Based on our discussion with the Management, the Consideration (being approximately HK$0.110 per Sale Share) represents the lower end of the Target Shares' price with reference to the 50-day and the 200-day moving average prices of the Target Share during the period commencing from one year prior to the date of the Announcement up to date of the Announcement.

As part of our due diligence work, we conducted an independent search on companies (i) listed on the main board of the Stock Exchange as an investment company regulated under Chapter 21 of the Listing Rules; and (ii) continuing trading as at the date of the Sale and Purchase Agreement. We found 18 companies listed below which met the aforesaid criteria and they are exhaustive (the "**Comparable Companies**"). Given that the Comparable Companies cover all listed issuers on the main board of the Stock Exchange as an investment company regulated under Chapter 21 of the Listing Rules that are continuing trading, we consider that the list of Comparable Companies selected is fair and representative.

Pursuant to Rule 21.12(3) of the Listing Rules, investment company regulated under Chapter 21 of the Listing Rules must publish in accordance with rule 2.07C an announcement containing a statement of its net asset value as at the end of each month within 15 days of that date. As such, for reference purpose, we compare the latest price-to-book value ("**PNAV**") of the Comparable Companies with reference to (i) the share price of the Comparable Companies as at the date of the Sale and Purchase Agreement; and (ii) the latest announced net asset value per share of the Comparable Companies, i.e. as at 31 July 2024. We consider that the latest announced net asset value provides a snapshot of the Comparable Companies' assets and liabilities as of the most recent date, which enable our analysis incorporates the most current financial position, reflecting any recent transactions, impairments, or adjustments that might affect the valuation of the respective assets, and any recent changes in market conditions or asset valuations. Thus, we consider that it is a fair and reasonable indicator for our analysis.

Set out below are the latest PNAV of the Comparable Companies:

Company Name	Stock Code	Share price (as at 23 August 2024)	Net Asset Value per share (as at 31 July 2024)	Latest PNAV
China New Economy Fund Limited	80	HK$0.0520	HK$0.0600	0.867
China Merchants China Direct Investments Limited	133	HK$12.8000	HK$31.7600	0.403
Capital Realm Financial Holdings Group Ltd.	204	HK$0.4850	HK$0.4090	1.186
Core Economy Investment Group Ltd.	339	HK$0.2600	HK$0.0102	25.490
DT CAPITAL LIMITED	356	HK$0.0610	HK$0.0260	2.346
Cocoon Holdings Ltd.	428	HK$0.3250	HK$2.3600	0.138
Ding Yi Feng Holdings Group International Ltd.	612	HK$0.2210	HK$0.4300	0.514
UBA Investments Limited	768	HK$0.0260	HK$0.0690	0.377
Shanghai International Shanghai Growth Investment Ltd.	770	US$0.0700	US$0.1300	0.538
China Castson 81 Finance Co. Ltd.	810	HK$0.2430	HK$0.2400	1.013
Walnut Capital Ltd.	905	HK$0.1960	HK$0.0990	1.980
Harbour Digital Asset Capital Ltd.	913	HK$0.2480	HK$0.4280	0.579
China Development Bank International Investment Ltd.	1062	HK$0.0870	HK$0.3445	0.253
Goldstone Capital Group Ltd.	1160	HK$0.2480	HK$0.0440	5.636
China Innovation Investment Ltd.	1217	HK$0.0100	HK$0.0440	0.227
China Investment and Finance Group Ltd.	1226	HK$0.2800	HK$0.3400	0.824
China Financial Leasing Group Limited	2312	HK$0.0910	HK$0.2000	0.455
Capital VC Limited	2324	HK$0.1000	HK$0.6648	0.150
			Maximum:	25.490
			Minimum:	0.138
			Median:	0.559
			Mean:	2.388
		Consideration per Sale Share		
The Target Company	1140	HK$0.1100	0.953	0.115

Source: the website of the Stock Exchange (www.hkexnews.hk)

According to the table above, the latest PNAV of the Comparable Companies ranged from approximately 0.138 to 25.490 with an average latest PNAV of 2.388 and a median of latest PNAV of 0.559. The Consideration per Sale Share, representing a latest PNAV of 0.115, is lower than the lowest of the latest PNAV of the Comparable Companies, which is favorable to the Company and its Independent Shareholders as a whole.

In addition, pursuant to information as stated on the website of the Stock Exchange, the Target Company is one of the four investment companies regulated under Chapter 21 of the Listing Rules to record positive price-to-earnings ratio based on the latest published audited financial information of the respective companies, namely China Merchants China Direct Investments Limited (stock code: 133.HK), Cocoon Holdings Limited (stock code 428.HK), China Innovation Investment Limited (stock code: 1217.HK) and the Target Company, reflecting its favorable financial performance.

Having considered that (i) the Consideration per Sale Share is determined with reference to the lower end of the Target Shares' price during the Relevant Period by the Company; (ii) the Consideration per Sale Share is lower than the lowest of the latest PNAV of the Comparable Companies; and (iii) the Target Company is one of the few investment companies regulated under Chapter 21 of the Listing Rules to record a positive price-to-earnings ratio based on its latest published audited financial information, we are of the view that the Consideration is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

Consideration Shares and the Issue Price

The Consideration Shares represent (i) approximately 4.78% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 4.56% of the issued share capital of the Company as enlarged by the allotment and issuance of the Consideration Shares (assuming that there will be no change in the issued share capital of the Company other than the allotment and issuance of Consideration Shares).

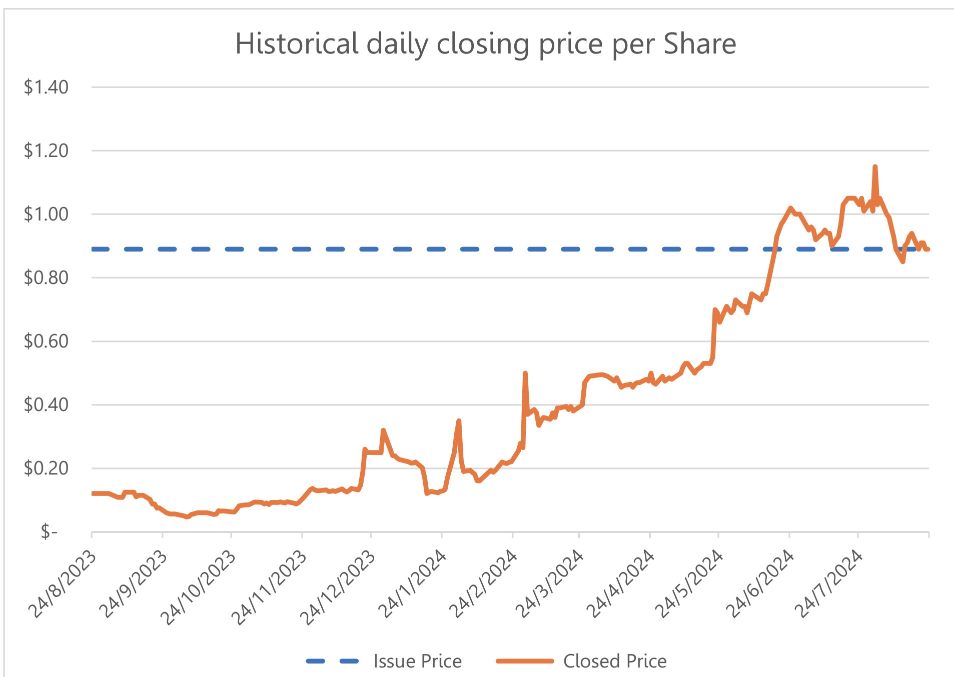
The aggregate nominal value of share capital for the Consideration Shares is HK$34,005,315.10.

The Issue Price represents the closing price of HK$0.89 per Share as at the date of the Sale and Purchase Agreement.

Our Analysis

Historical Share price performance

In order to assess the fairness and reasonableness of the Issue Price, we reviewed the daily closing price of the Shares as quoted on the Stock Exchange from 24 August 2023, being approximately one year prior to the date of the Sale and Purchase Agreement, up to and including the date of the Sale and Purchase Agreement (the "**Review Period**"), which is commonly adopted for analysis and the duration of such period (number of trading days) is sufficient for us to perform a thorough analysis on the historical closing price of Shares. The comparison of the daily closing price of Shares and the Issue Price is illustrated as follows:



Source: the website of the Stock Exchange (www.hkexnews.hk)

During the Review Period, the lowest and highest closing prices of the Shares were HK$0.047 per Share recorded on 4 October 2023 and HK$1.150 per Share recorded on 31 July 2024, respectively. The Issue Price of HK$0.89 per Share is within the Shares' closing price range during the Review Period and is higher than the closing prices of the Shares for 199 trading days out of the total of 246 Shares' trading days during the Review Period; and was significantly higher than the closing prices of the Shares during the whole Review Period.

Comparison with recent subscription

As part of our analysis, we have also carried out a comparable analysis on the issue of new shares under specific mandates by companies listed on the Stock Exchange (the "**Comparable Issues**"), based on the criteria that (i) the issue of new shares under specific mandate were announced during the 6-month period prior to the date of the Sale and Purchase Agreement (i.e. from 24 February 2024 to 23 August 2024) (the "**Comparable Review Period**"), which we believe represents a reasonable and meaningful period to reflect the recent market conditions; (ii) the shares were issued to connected person(s) of the respective listed issuers. We are of the view that the purpose of the comparable analysis is to assess if the issue of the Consideration Shares by the Company to connected person is in line with recent market practice.

We have identified a total of 20 Comparable Issues, which to the best of our knowledge represent the exhaustive list that meet the aforesaid selection criteria. Taking into account (i) the number of Comparable Issues covered in the Comparable Review Period which was close to the date of the Sale and Purchase Agreement such that the Comparable Issues were conducted under similar and recent market conditions and sentiments; (ii) the Comparable Issues provide a meaningful reference on general market practice conducted under a similar market conditions; (iii) a six-month timeframe captures recent market dynamics and trends, allowing us to assess how current economic conditions and industry developments impact valuations, providing references that are relevant for current decision-making; (iv) a six-month window is long enough to capture typical market fluctuations and trends without being overly influenced by short-term volatility; and (v) within a six-month period, significant economic indicators can emerge, impacting valuations. This timeframe allows us to consider any recent developments that may alter the competitive landscape or affect market conditions, we consider the Comparable Issues, and the 6-month period set an appropriate basis for our analysis and that the Comparable Issues are considered fair, sufficient and representative to illustrate the recent trend and terms under common market practice.

All 20 Comparable Issues, including but not limited to issuance of consideration shares or subscription of new shares, reflect the market's determination of price and prevailing market conditions, making them valuable references. Given all 20 Comparable Issues provides insights into market dynamics and investor sentiment, although the issue prices of those 20 Comparable Issues exhibit a wide range of premiums or discounts relative to the respective benchmark prices of the respective shares, we consider the entire list represent a full range of date to support our comparable analysis effectively.

Nonetheless, Shareholders or potential investors should note that the business, operations and financial performance of the listed issuers of the Comparable Issues are not the same as the Company, and we have not conducted any in-depth investigation into the business and operations of respective listed issuers.

Date of Announcement	Company	Stock Code	Premium/(Discount) of Issue price over/(to) the closing price per share on the date of respective agreement/last trading day	Premium/(Discount) of Issue price over/(to) the average closing price per share for last 5 consecutive trading days immediately prior to/including the date of respective agreements
2024-08-22	Changan Minsheng APLL Logistics Co., Ltd.	1292	47.87%	45.55%
2024-08-16	Sinohope Technology Holdings Limited	1611	14.14%	14.14%
2024-08-12	Ocumension Therapeutics	1477	25.51%	26.10%
2024-08-09	Wanguo Gold Group Limited	3939	8.00%	12.60%
2024-07-22	China Anchu Energy Storage Group Limited	2399	66.70%	64.50%
2024-07-19	Differ Group Auto Limited	6878	(20.00%)	(19.72%)
2024-07-08	Winshine Science Company Limited	209	(9.10%)	(9.10%)
2024-06-28	Cornerstone Technologies Holdings Limited	8391	5.80%	4.60%
2024-06-17	Zhuguang Holdings Group Company Limited	1176	21.21%	18.34%
2024-06-14	Sinopharm Tech Holdings Limited	8156	(18.70%)	(18.70%)
2024-06-07	Wenye Group Holdings Limited	1802	(3.50%)	(14.10%)
2024-05-22	Cornerstone Technologies Holdings Limited	8391	12.28%	20.75%
2024-05-14	Hua Yin International Holdings Limited	989	19.05%	6.38%
2024-05-13	Television Broadcasts Limited	511	7.24%	12.68%
2024-05-13	Labixiaoxin Snacks Group Limited	1262	(5.17%)	(15.77%)
2024-04-26	B.Duck Semk Holdings International Limited	2250	(6.00%)	(5.70%)
2024-04-09	XD Inc.	2400	0.00%	(0.36%)
2024-03-18	China Qidian Guofeng Holdings Limited	1280	(31.37%)	(31.64%)
2024-03-15	Apollo Future Mobility Group Limited	860	(9.80%)	(16.36%)
2024-03-07	China HK Power Smart Energy Group Limited	931	0.00%	1.42%
		Maximum:	66.70%	64.50%
		Minimum:	(31.37%)	(31.64%)
		Median:	2.90%	3.01%
		Mean:	6.21%	4.78%
2024-08-23	The Consideration Share		0.00%	(1.98%)

Source: the website of the Stock Exchange (www.hkexnews.hk)

As shown in the table above, the issue price of the Comparable Issues ranged from a premium of approximately 66.70% to a discount of approximately 31.37%, with an average premium of approximately 6.21% and a median premium of approximately 2.90% over/(to) the closing price per share on the date of respective agreement/last trading day.

As shown in the table above, the issue price of the Comparable Issues ranged from a premium of approximately 64.50% to a discount of approximately 31.64%, with an average premium of approximately 4.78% and a median premium of approximately 3.01% over/to their respective average closing prices per share for the last five consecutive trading days including and up to the date of the respective agreements.

The Company's Issue Price of HK$0.890 per Consideration Share represents the closing price of HK$0.890 per Share as at the date of the Sale and Purchase Agreement, i.e. no premium or discount, falls within the range and slightly below the average and median premium of that of the Comparable Issues.

The discount of approximately 1.98% of the Company's Issue Price of HK$0.890 per Consideration Share to the average closing price of HK$0.908 per Share for the last five consecutive trading days immediately preceding the date of the Sale and Purchase Agreement falls within the range and slightly below the average and median premium of that of the Comparable Issues.

Having considered that (i) the discount of the Issue Price falls within the range and only slightly below than that of the Comparable Issues; and (ii) the Issue Price represent the closing price of the Shares as at the date of the Sale and Purchase Agreement, which is consistent with the current investor sentiment and trading conditions and no preferential treatment is afforded to the Vendors, we are of the view that the Issue Price is on normal commercial term and is fair and reasonable so far as the Independent Shareholders are concerned.

Our Conclusion on terms of the Sale and Purchase Agreement

Having reviewed and considered the key terms as listed above (including the Consideration of the Acquisition (i.e. being approximately HK$0.110 per Sale Share) and the Issue price being fair and reasonable), we are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder (including the allotment and issuance of the Consideration Shares under the Specific Mandate at the Issue Price) are on normal commercial terms and are fair and reasonable.

4 POSSIBLE DILUTION EFFECT OF THE EXISTING PUBLIC SHAREHOLDERS

According to the table set out under the section headed ''EFFECTS ON SHAREHOLDINGS STRUCTURE OF THE COMPANY'' of the Board Letter, the shareholding interests held by the other public Shareholders would be diluted by approximately 4.56 percentage points as a result of the Acquisition by the allotment and issuance of the Consideration Shares under the Specific Mandate on the assumption that no other change in the share capital of the Company since the Latest Practicable Date.

Nonetheless, in view of (i) the reasons for and the possible benefits of the Acquisition; (ii) the terms of the Sale and Purchase Agreement being fair and reasonable; and (iii) number of issued Shares held by public Shareholders remains unchanged, we are of the view that the aforementioned level of dilution to the shareholding interests of the existing public Shareholders is acceptable.

5 POSSIBLE FINANCIAL EFFECT OF THE ACQUISITION

Immediately prior to the Completion, the Group is beneficially interested in 313,115,385 Target Shares (representing approximately 2.98% of the entire issued share of the Target Company as at the Latest Practicable Date). Upon Completion, the Company will be beneficially interested in 3,064,414,515 Target Shares, representing approximately 29.13% equity interest in the Target Company as at the Latest Practicable Date. The Target Company will become an associate of the Group, and the financial results of the Target Group will be accounted for in the consolidated financial statements of the Group as investment in an associate using the equity method of accounting.

As referred to in the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this circular, on the basis of the notes set out therein for the purposes of illustrating the effects of the Acquisition, the financial effects of the Acquisition on the Group as if the Acquisition had taken place and had been completed on 31 March 2024 would be as follows:

(a) As for the assets of the Group, the total assets will increase by approximately HK$2,844.95 million;

(b) As for the liability of the Group, given that the Consideration shall be satisfied by the allotment and issuance of the Consideration Shares at the Issue Price under the Specific Mandate, there will be no financial effect to the total liability of the Group; and

(c) It is expected that, subject to audit, there will be no financial effect to the revenue of the Group after Completion as the income of the Target Group will not be consolidated into that of the Group.

After taking into consideration the above, particularly the Acquisition will not increase the liability position of the Group, we are of the view that the Acquisition is in the interest of the Company and the Shareholders as a whole.

Shareholders should note that the aforesaid analyses are for illustrative purpose only and do not purport to represent the financial position of the Group upon completion of the Acquisition and because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of (i) the financial position of the Company as at 31 March 2025 or any future date; or (ii) the net assets per Share of the Company as at 31 March 2025 or any future date.

RECOMMENDATION

Having taken into account that above factors and reasons, we are of the opinion that although the transactions contemplated under the Sale and Purchase Agreement, including the allotment and issuance of the Consideration Shares under the Specific Mandate, are not in the ordinary and usual course of business of the Group, the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder (including the allotment and issuance of the Consideration Shares under the Specific Mandate at the Issue Price) are on normal commercial terms agreed upon after arm's length negotiations between the parties with reference to the prevailing market conditions and are fair and reasonable, and are in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the relevant ordinary resolutions to be proposed at the EGM to approve the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder, including allotment and issuance of the Consideration Shares at the Issue Price under the Specific Mandate and we recommend the Independent Shareholders to vote in favor of the resolution in this regard.

Yours faithfully,
For and on behalf of
Draco Capital Limited

Ken Zhao	**Leon Au Yeung**
Director	*Director*

Mr. Ken Zhao and Mr. Leon Au Yeung are licensed persons under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO and regarded as responsible officers of Draco Capital Limited. Mr. Kevin Choi and Mr. Leon Au Yeung have over 11 and 11 years of experience in the corporate finance industry, respectively.

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three financial years ended 31 March 2022, 2023 and 2024 were disclosed in the annual reports of the Company for the years ended 31 March 2022 (pages 126 to 272), 2023 (pages 148 to 288) and 2024 (pages 157 to 268) respectively. The aforementioned financial information of the Group has been published on both the website of the Stock Exchange (http://www.hkexnews.hk) and the website of the Company (http://www.290.com.hk). Please refer to the hyperlinks as stated below:

Annual Report for the year ended 31 March 2022:
https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800393.pdf

Annual Report for the year ended 31 March 2023:
https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072800442.pdf

Annual Report for the year ended 31 March 2024:
https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0711/2024071100261.pdf

2. STATEMENT OF INDEBTEDNESS

As at the close of business of 31 August 2024, being the latest practicable date for the purpose of determining the indebtedness of the Group prior to the printing of this circular, the Group had unsecured and unguaranteed lease liabilities of approximately HK$19,617,000.

Save as disclosed above and for intra-group liabilities, the Group did not have any debt securities authorized or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guaranteed, unguaranteed, secured and unsecured borrowing and debt, or other material contingent liabilities as at the close of business on 31 August 2024.

3. WORKING CAPITAL STATEMENT

The Directors are satisfied, after due and careful enquiry and based on the information currently available to the Directors, that after taking into account the effects of the acquisition, the Enlarged Group business prospects and the financial resources available to the Enlarged Group, including cash generated from future operations, the existing cash and bank balances, the available existing borrowings from a director and the available banking facilities of the Enlarged Group, the Enlarged Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular in the absence of any unforeseen circumstances. The Company has obtained the relevant confirmations as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company is an investment holding company whereas the Group is a cross-border, cross-industry financial technology investment platform based in Hong Kong, backed by the Greater Bay Area, and focused on the international market. The Company has wholly-owned subsidiaries being corporations licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (Advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

The current business of the Group includes investment banking, securities brokerage, asset management, margin financing, insurance brokerage, debt investment and equity investment. The Group is deeply rooted in the local market of Hong Kong, with a strong presence in the financial services sector. It strategically invests in the financial technology industry, actively responding to the Hong Kong government's digital economic development strategy. By embracing the theme of technological innovation, the Company drives its development through innovation, contributing to Hong Kong's position as an international financial center and accelerating the growth of the Web 3.0 ecosystem.

In addition, the Group's investment strategies will explore more diversified investment opportunities with various industries, especially with financial technology industry in light of the growing acknowledgment in Hong Kong regarding virtual assets. Owing to the thriving development with respect to innovative technology-related businesses such as those connected to blockchain-based technology application and development, it is reasonably anticipated that expansion towards such aspects of businesses will not only represent a diversification of the Group's business, but also an opportunity to promote its profitability.

It has always been the Group's goal to implement an efficient and compliant internal control, pragmatically deploy its investment strategies, and strengthen its financial situation in order to bring favorable return to the Group and the Shareholders as a whole.

The following is the text of a report received from the independent reporting accountants, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of inclusion in this circular.

中汇 ZHONGHUI

17 September 2024

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF GOFINTECH INNOVATION LIMITED

Introduction

We report on the historical financial information of Wealthink AI-Innovation Capital Limited (the "**Target Company**") and its subsidiaries (hereinafter collectively referred to as the "**Target Group**") set out on pages II-3 to II-89, which comprises the consolidated and company statements of financial position of the Target Company as at 31 March 2022, 2023 and 2024, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the three years ended 31 March 2022, 2023 and 2024 (the "**Relevant Periods**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information forms an integral part of this report, which has been prepared for inclusion in the circular of the Company dated 17 September 2024 in connection with the proposed acquisition of approximately 26.15% equity interest in the Target Company.

Directors' responsibility for the Historical Financial Information

The directors of the Target Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Target Company's and Target Group's financial position as at 31 March 2022, 2023 and 2024 and of the Target Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on pages II-3 to II-8 have been made.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Yeung Hong Chun
Audit Engagement Director
Practising Certificate Number P07374

Hong Kong, 17 September 2024

HISTORICAL FINANCIAL INFORMATION OF THE TARGET GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

Wealthink AI-Innovation Capital Limited (the "**Target Company**") was incorporated on 26 July 2002 in the Cayman Islands with limited liability and acts as an investment holding company. The Target Company and its subsidiaries are hereinafter collectively referred to as the "**Target Group**". During the Relevant Periods and up to the date of this report, the Target Company has the following subsidiaries:

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share/registered capital	Attributable equity interest of the Target Company				Principal activities
			At 31 March			At 17 September	
			2022	2023	2024	2024	
Block AI Company Limited	Republic of Seychelles, 24 August 2021	US$1	100%	100%	100%	note (i)	Investment holding
WK Volare Investments Limited (formerly known as Flytechnology Investments Limited)	Hong Kong, 2 September 2022	HK$1	0%	100%	100%	100%	Dormant
Golden Investor Investments Limited	British Virgin Islands ("**BVI**"), 15 November 2007	US$2	100%	100%	100%	100%	Investment holding
Great Wonderful Limited	BVI, 8 February 2018	US$1	100%	100%	100%	100%	Investment holding
Metaki Investment Holdings Limited	BVI, 23 November 2021	US$1	100%	100%	100%	100%	Dormant
Metaki Limited	Republic of Seychelles, 23 November 2021	US$1	100%	100%	100%	100%	Dormant
Metaki Limited (formerly known as OP Financial Limited)	Hong Kong, 21 October 2020	HK$1	100%	100%	100%	100%	Dormant
Metaqi Limited	Republic of Seychelles, 23 November 2021	US$1	100%	100%	100%	100%	Dormant
OP Capital Investments Limited	Hong Kong, 5 February 2010	HK$1	100%	100%	100%	100%	Investment holding
OP Digital Life (GP) Limited	Cayman Islands, 7 May 2018	US$1	100%	100%	100%	100%	Investment holding
OP Digital Me Limited	BVI, 4 May 2018	US$1	100%	100%	100%	100%	Investment holding
OP Felicity Limited	Hong Kong, 22 August 2017	HK$1	100%	100%	100%	100%	Investment holding

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share/registered capital	Attributable equity interest of the Target Company				Principal activities
			At 31 March			At 17 September	
			2022	2023	2024	2024	
OPFI GP(2) Limited	Cayman Islands, 9 January 2015	HK$0.1	100%	100%	100%	100%	Investment holding
OP Fintech Holdings Limited	Cayman Islands, 15 June 2017	US$1	100%	100%	100%	100%	Investment holding
OP Healthcare Limited	Cayman Islands, 10 October 2018	US$1	100%	100%	100%	100%	Dormant
OP Investment Service Limited	Hong Kong, 13 November 2009	HK$1	100%	100%	100%	100%	Administrative service centre for group companies
Power Creation Global Limited	BVI, 10 July 2018	US$100	100%	100%	100%	100%	Investment holding
Profit Raider Investments Limited	BVI, 15 November 2007	US$1	100%	note (iii)	0%	0%	Investment holding
Prosper Gain Holdings Limited	BVI, 6 February 2013	US$1	100%	100%	100%	100%	Investment holding
River King Investments Limited	BVI, 6 February 2013	US$1	100%	100%	100%	100%	Investment holding
South South Financial Investment Group Limited	BVI, 27 March 2014	US$1	100%	100%	100%	100%	Investment holding
Spring Inside Limited	BVI, 9 October 2007	–	100%	100%	100%	100%	Investment holding
Spring Kirin Limited	BVI, 1 September 2017	US$1	100%	100%	100%	100%	Investment holding
WK Solis Investments Limited (formerly known as Sunshinetech Investments Limited)	Hong Kong, 2 September 2022	HK$1	0%	100%	100%	100%	Dormant
Suremind Investments Limited	BVI, 15 April 2008	US$1	100%	100%	100%	100%	Investment holding
Wall King Industry Investment Limited	BVI, 29 August 2019	US$13,000,000	100%	100%	100%	100%	Investment holding
Wealthking Venture Capital Limited (formerly known as Wealthking Venture Limited)	Hong Kong, 6 October 2022	HK$1	0%	100%	100%	100%	Dormant
WK Century Holdings Limited	BVI, 21 April 2022	US$1	0%	100%	100%	100%	Investment holding
WK Development Limited	BVI, 13 January 2022	US$1	100%	100%	100%	100%	Investment holding
WK Fintech Holdings Limited	BVI, 21 April 2022	US$1	0%	100%	100%	100%	Investment holding
WK Intellect Limited	BVI, 23 August 2022	US$1	0%	100%	100%	100%	Investment holding
WK Management Limited	BVI, 13 January 2022	US$1	100%	100%	100%	100%	Investment holding
WK Megaverse Limited	BVI, 23 August 2022	US$1	0%	100%	100%	100%	Dormant
WK Millennia Holdings Limited	BVI, 21 April 2022	US$1	0%	100%	100%	100%	Dormant
WK Phoenix Success Limited	BVI, 23 August 2022	US$1	0%	100%	100%	100%	Dormant
WK Pioneer Success Limited	BVI, 23 August 2022	US$1	0%	100%	100%	100%	Dormant
WK Quantum Holdings Limited	BVI, 21 April 2022	US$1	0%	100%	100%	100%	Investment holding

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share/registered capital	Attributable equity interest of the Target Company				Principal activities
			At 31 March			At 17 September	
			2022	2023	2024	2024	
WK Unicorn Success Limited	BVI, 23 August 2022	US$1	0%	100%	100%	100%	Dormant
WK Venture Success Limited	BVI, 23 August 2022	US$1	0%	100%	note (iv)	0%	Investment holding
深圳華科君匯管理諮詢有限公司	People's Republic of China ("**PRC**"), 29 November 2018	HK$18,000,000	100%	100%	100%	100%	Administrative service centre for group companies
WK Clara Holdings Limited	BVI, 17 April 2023	US$1	0%	0%	100%	100%	Dormant
WK Fortis Holdings Limited	BVI, 17 April 2023	US$1	0%	0%	100%	100%	Investment holding
WK Fortune Holdings Limited	BVI, 17 April 2023	US$1	0%	0%	100%	100%	Dormant
WK Frater Holdings Limited	BVI, 17 April 2023	US$1	0%	0%	100%	100%	Investment holding
WK Mater Holdings Limited	BVI, 17 April 2023	US$1	0%	0%	100%	100%	Dormant
WK Potens Holdings Limited	BVI, 17 April 2023	US$1	0%	0%	100%	100%	Dormant
WK Solida Holdings Limited	BVI, 17 April 2023	US$1	0%	0%	100%	100%	Dormant
WK Strata Holdings Limited	BVI, 17 April 2023	US$1	0%	0%	100%	100%	Investment holding
WK Terra Holdings Limited	BVI, 17 April 2023	US$1	0%	0%	100%	100%	Dormant
WK Terrane Holdings Limited	BVI, 17 April 2023	US$1	0%	0%	100%	100%	Dormant
Wealthking Investments Limited (formerly known as Wealthink AI-Innovation Capital Limited)	Hong Kong, 19 June 2023	HK$1	0%	0%	100%	100%	Dormant
WK Alpine Holdings Limited	BVI, 16 January 2024	US$1	0%	0%	100%	100%	Dormant
WK Acutus Holdings Limited	BVI, 16 January 2024	US$1	0%	0%	100%	100%	Dormant
WK Begonia Holdings Limited	BVI, 16 January 2024	US$1	0%	0%	100%	100%	Dormant
WK Cosmos Holdings Limited	BVI, 16 January 2024	US$1	0%	0%	100%	100%	Dormant
WK Dominus Holdings Limited	BVI, 16 January 2024	US$1	0%	0%	100%	100%	Dormant
WK Ecela Holdings Limited	BVI, 16 January 2024	US$1	0%	0%	100%	100%	Dormant
WK Fortuna Holdings Limited	BVI, 16 January 2024	US$1	0%	0%	100%	100%	Dormant
WK Luminous Holdings Limited	BVI, 16 January 2024	US$1	0%	0%	100%	100%	Dormant
WK Splendor Holdings Limited	BVI, 16 January 2024	US$1	0%	0%	100%	100%	Dormant
WK Sycamore Holdings Limited	BVI, 16 January 2024	US$1	0%	0%	100%	100%	Dormant
Apex Ridge Limited	BVI, 2 July 2014	US$1	100%	100%	100%	100%	Dormant
Digital Life L.P.	Cayman Islands, 22 May 2018	–	100%	100%	100%	100%	Investment holding
Hong Kong Wall King Industry Investment Limited	Hong Kong, 9 September 2019	HK$1,000,000	100%	100%	100%	100%	Investment holding
Keynew Investments Limited	BVI, 11 April 2008	US$1	100%	100%	100%	100%	Investment holding
Metakii Limited (formerly known as South South Green Energy Investments Limited)	Hong Kong, 5 May 2016	HK$1	100%	100%	100%	100%	Dormant

Name of subsidiary	Place and date of incorporation/ establishment	Issued and fully paid share/registered capital	Attributable equity interest of the Target Company				Principal activities
			At 31 March			At 17 September	
			2022	2023	2024	2024	
Metaqi Capital Limited (formerly known as South South Financial Investment Group (HK) Limited)	Hong Kong, 16 April 2016	HK$1	100%	100%	100%	100%	Investment holding
OP Digital Me Investment Limited	BVI, 7 May 2018	US$1	100%	100%	100%	100%	Investment holding
OP New Health Limited	Hong Kong, 27 June 2016	HK$1	100%	100%	100%	100%	Investment holding
Prestige Power Global Limited	BVI, 16 January 2018	US$1	100%	100%	note (ii)	0%	Investment holding
Silver Path Ventures Limited	BVI, 2 May 2017	US$1	100%	100%	note (ii)	0%	Investment holding
Wisland Investments Limited	BVI, 15 April 2008	US$1	100%	100%	100%	100%	Investment holding
WK Metalight Holdings Limited	BVI, 23 August 2022	US$1	0%	100%	note (v)	0%	Investment holding
World Master Global Limited	BVI, 17 May 2016	US$1	100%	100%	100%	100%	Investment holding
英奇(杭州)企業總部管理有限公司 (formerly known as 英奇投資(杭州)有限公司)	PRC, 24 August 2017	RMB800,000,000	100%	100%	note (v)	0%	Investment holding
上海鑫逵信息科技有限公司	PRC, 27 April 2017	RMB15,000,000	100%	100%	100%	100%	Investment holding
深圳華茂嘉德實業有限公司	PRC, 26 September 2019	HK$1,000,000	100%	100%	100%	100%	Investment holding
橫琴英奇股權投資企業(有限合夥)	PRC, 4 June 2018	RMB50,000	100%	100%	100%	100%	Dormant
深圳君匯智善企業管理諮詢有限公司	PRC, 22 September 2023	RMB100,000,000	0%	100%	100%	100%	Dormant
深圳君匯智樂企業管理諮詢有限公司	PRC, 21 September 2023	RMB100,000,000	0%	100%	100%	100%	Dormant
深圳君匯智好企業管理諮詢有限公司	PRC, 21 September 2023	RMB100,000,000	0%	100%	100%	100%	Dormant
深圳君匯智信企業管理諮詢有限公司	PRC, 18 September 2023	RMB100,000,000	0%	100%	100%	100%	Dormant
深圳君匯智敏企業管理諮詢有限公司	PRC, 19 September 2023	RMB100,000,000	0%	100%	100%	100%	Dormant

Notes:

(i) Disposed on 9 April 2024.

(ii) Disposed on 29 September 2023.

(iii) Disposed on 29 September 2022.

(iv) Disposed on 28 July 2023.

(v) Disposed on 4 August 2023.

Other than those subsidiaries incorporated in the PRC have adopted 31 December as the financial year end date, all the subsidiaries of the Target Group have adopted 31 March as the financial year end date.

The statutory financial statements of 深圳華科君匯管理諮詢有限公司 and 深圳華茂嘉德實業有限公司 for each of the three years ended 31 December 2023 have been prepared in accordance with Enterprise Accounting Standards* issued by Ministry of Finance of the PRC and were audited by 深圳市禮節會計師事務所(普通合夥).

The statutory financial statements of the Target Group, OP Investment Service Limited, OP Capital Investments Limited, Metaqi Capital Limited (formerly known as South South Financial Investment Group (HK) Limited), Metakii Limited (formerly known as South South Green Energy Investments Limited), OP New Health Limited, OP Felicity Limited and Hong Kong Wall King Industry Investment Limited for each of the three years ended 31 March 2024 have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and were audited by ZHONGHUI ANDA CPA Limited registered in Hong Kong in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The statutory financial statements of Metaki Limited (formerly known as OP Financial Limited) for the period from 21 October 2020 to 31 March 2022 and each of the two years ended 31 March 2024 have been prepared in accordance with HKFRSs issued by the HKICPA and were audited by ZHONGHUI ANDA CPA Limited registered in Hong Kong in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The statutory financial statements of WK Solis Investments Limited (formerly known as Sunshinetech Investments Limited) and WK Volare Investments Limited (formerly known as Flytechnology Investments Limited) for the period from 2 September 2022 to 31 March 2023 and year ended 31 March 2024 have been prepared in accordance with HKFRSs issued by the HKICPA and were audited by ZHONGHUI ANDA CPA Limited registered in Hong Kong in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The statutory financial statements of Wealthking Venture Capital Limited (formerly known as Wealthking Venture Limited) for the period from 6 October 2022 to 31 March 2023 and year ended 31 March 2024 have been prepared in accordance with HKFRSs issued by the HKICPA and were audited by ZHONGHUI ANDA CPA Limited registered in Hong Kong in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The statutory financial statements of Wealthking Investments Limited (formerly known as Wealthink AI-Innovation Capital Limited) for the period from 19 June 2023 to 31 March 2024 have been prepared in accordance with HKFRSs issued by the HKICPA and were audited by ZHONGHUI ANDA CPA Limited registered in Hong Kong in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

Other than the above, no audited financial statements of all subsidiaries of the Target Company have been prepared for the Relevant Periods as there is no statutory audit requirement in BVI, Republic of Seychelles, Cayman Islands and the PRC.

The directors of the Target Company have prepared the consolidated financial statements of the Target Group for the Relevant Periods in accordance with HKFRSs issued by the HKICPA (the "**Underlying Financial Statements**"). We have performed our independent audit on the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong Dollar ("**HK$**") and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

* *The English name is a translation of its Chinese name and included herein for identification purpose only.*

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March		
		2022	**2023**	**2024**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	*8*	93,929	192,741	308,329
Other income and gains/(losses) net	*9*	1,302	(1,285)	77,664
Net change in unrealised (loss)/gain on investments at fair value through profit or loss arising from				
– listed investments		(135,915)	(220,907)	3,771
– unlisted investments		(130,465)	142,300	(42,572)
		(266,380)	(78,607)	(38,801)
Net realised gain/(loss) on disposal of investments arising from				
– listed investments		5,197	(2,451)	(14,247)
– unlisted investments		95	(5,734)	(27,671)
		5,292	(8,185)	(41,918)
Net change in unrealised gain on financial liabilities at fair value through profit or loss		2,011	611	692
Reversal of provision/(provision) for expected credit losses		460,367	108,967	(3,956)
Operating and administrative expenses		(49,476)	(77,229)	(61,939)
Operating profit		247,045	137,013	240,071
Finance costs	*10*	(34,563)	(75,031)	(86,366)
Share of profits/(losses) of associates and joint ventures		4,678	87,541	(99,097)
Profit before tax		217,160	149,523	54,608
Income tax credit/(expenses)	*11*	4,113	(3,140)	(955)
Profit for the years		221,273	146,383	53,653

		Year ended 31 March		
		2022	**2023**	**2024**
	Note	*HK$'000*	*HK$'000*	*HK$'000*
Other comprehensive income/(expense):				
Items that may be reclassified to profit or loss:				
Share of associate's				
– Exchange differences on translating foreign operations		1,241	(1,733)	(50)
Exchange differences on translating foreign operations		35,082	(117,719)	(183,677)
Realisation of foreign currency translation reserve from disposal of subsidiaries		–	–	31,939
Other comprehensive income/(expense) for the years, net of income tax		36,323	(119,452)	(151,788)
Total comprehensive income/(expense) for the years		257,596	26,931	(98,135)
		HK cents	*HK cents*	*HK cent*
Earnings per shares				
– Basic and diluted	*13*	6.44	1.80	0.51

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		At 31 March		
		2022	**2023**	**2024**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Non-current assets				
Equipment	*14*	5,382	4,178	4,585
Right-of-use assets	*15*	26,686	11,409	8,654
Intangible assets	*16*	782	782	71
Investments in associates and joint ventures	*17*	688,650	921,863	656,500
Investments at fair value through profit or loss	*18*	4,002,039	4,600,522	4,143,757
Debt investments	*19*	–	199,865	72,097
Prepaid consideration	*21*	449,779	–	–
		5,173,318	5,738,619	4,885,664
Current assets				
Investments at fair value through profit or loss	*18*	1,215,826	2,057,701	2,091,663
Debt investments	*19*	616,093	3,167,597	3,677,392
Accounts and loans receivables	*20*	263,381	114,516	89,610
Interest receivables		50,231	121,854	255,591
Prepayments, deposits and other receivables		15,968	57,558	32,527
Pledged bank deposits	*23*	20,000	–	–
Bank and cash balances	*23*	86,396	108,360	45,006
		2,267,895	5,627,586	6,191,789
Non-current assets held for sale	*24*	–	–	344,944
TOTAL ASSETS		7,441,213	11,366,205	11,422,397

		At 31 March		
		2022	**2023**	**2024**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
EQUITY AND LIABILITIES				
Equity				
Share capital	*31*	406,132	1,052,032	1,052,032
Reserves	*32*	5,122,112	8,958,723	8,860,588
Total equity		5,528,244	10,010,755	9,912,620
Liabilities				
Current liabilities				
Accounts payables	*25*	57	50	50
Other payables	*26*	19,180	39,926	60,805
Financial liabilities at fair value through profit or loss	*27*	2,879	2,225	1,400
Borrowings	*28*	1,844,969	1,280,393	1,417,414
Lease liabilities	*29*	23,605	7,056	5,861
Current tax liabilities		14,678	17,818	18,774
		1,905,368	1,347,468	1,504,304
Net current assets		362,527	4,280,118	5,032,429
Non-current liabilities				
Financial liabilities at fair value through profit or loss	*27*	1,676	1,667	1,542
Lease liabilities	*29*	5,925	6,315	3,931
		7,601	7,982	5,473
Total liabilities		1,912,969	1,355,450	1,509,777
TOTAL EQUITY AND LIABILITIES		7,441,213	11,366,205	11,422,397
NET ASSETS		5,528,244	10,010,755	9,912,620

STATEMENTS OF FINANCIAL POSITION

		At 31 March		
		2022	**2023**	**2024**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Non-current assets				
Equipment		90	9	–
Investments in subsidiaries		778,915	779,915	105,100
Amounts due from subsidiaries	*22*	4,560,410	7,845,279	8,648,967
Investments in associates and joint ventures		133,848	128,520	124,677
Investments at fair value through profit or loss		954,584	970,520	1,082,127
		6,427,847	9,724,243	9,960,871
Current assets				
Investments at fair value through profit or loss		201,345	84,732	54,116
Debt investments		120,969	55,979	62,229
Accounts and loans receivables		3,604	3,700	3,671
Interest receivables		5,991	6,195	3,840
Prepayments, deposits and other receivables		4,080	55,234	29,202
Pledged bank deposits		20,000	–	–
Bank and cash balances		25,024	8,132	13,869
		381,013	213,972	166,927
TOTAL ASSETS		6,808,860	9,938,215	10,127,798
EQUITY AND LIABILITIES				
Equity				
Share capital	*31*	406,132	1,052,032	1,052,032
Reserves	*32*	4,860,424	8,772,897	8,715,454
Total equity		5,266,556	9,824,929	9,767,486

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Liabilities			
Current liabilities			
Other payables	10,973	20,104	27,994
Financial liabilities at fair value through profit or loss	2,879	2,225	1,400
Borrowings	1,527,500	90,000	330,000
	1,541,352	112,329	359,394
Net current (liabilities)/assets	(1,160,339)	101,643	(192,467)
Non-current liabilities			
Financial liabilities at fair value through profit or loss	952	957	918
Total liabilities	1,542,304	113,286	360,312
TOTAL EQUITY AND LIABILITIES	6,808,860	9,938,215	10,127,798
NET ASSETS	5,266,556	9,824,929	9,767,486

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Attributable to owners of the Target Company						
		Share capital	Share premium	Share-based payment reserve	Surplus reserve	Exchange reserve	(Accumulated losses)/ retained profits	Total equity
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2021		290,094	4,674,804	46,880	465	24,033	(509,097)	4,527,179
Total comprehensive income for the year		–	–	–	–	36,323	221,273	257,596
Issue of shares	*31*	116,038	626,603	–	–	–	–	742,641
Share-based payments	*33*	–	–	828	–	–	–	828
Forfeiture of share options		–	–	(32,739)	–	–	32,739	–
At 31 March 2022 and 1 April 2022		406,132	5,301,407	14,969	465	60,356	(255,085)	5,528,244
Total comprehensive (expense)/income for the year		–	–	–	–	(119,452)	146,383	26,931
Issue of shares	*31*	645,900	3,809,680	–	–	–	–	4,455,580
Forfeiture of share options		–	–	(14,969)	–	–	14,969	–
At 31 March 2023 and 1 April 2023		1,052,032	9,111,087	–	465	(59,096)	(93,733)	10,010,755
Total comprehensive (expense)/income for the year		–	–	–	–	(151,788)	53,653	(98,135)
At 31 March 2024		1,052,032	9,111,087	–	465	(210,884)	(40,080)	9,912,620

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Cash flows from operating activities			
Profit before tax	217,160	149,523	54,608
Adjustments for:			
Dividend income	(2,654)	(1,038)	–
Interest revenue	(91,275)	(191,703)	(308,329)
Finance costs	34,563	75,031	86,366
Net foreign exchange (gains)/losses	(4,693)	257	146
Depreciation	37,400	27,777	9,281
Non-cash service fee expenses	3,195	–	–
Loss on disposal of equipment	157	–	–
Net loss/(gain) on disposal of subsidiaries	–	1,540	(84,308)
Net realised (gain)/loss on disposal of investments	(5,292)	8,185	41,918
Net change in unrealised loss on investments at fair value through profit or loss	266,380	78,607	38,801
Net change in unrealised gain on financial liabilities at fair value through profit or loss	(2,011)	(611)	(692)
(Reversal of provision)/provision for expected credit losses	(460,367)	(108,967)	3,956
Share of (profits)/losses of associates and joint ventures	(4,678)	(87,541)	99,097
Equity-settled share-based payments	828	–	–
Impairment loss of goodwill arising from investment in an associate	–	–	6,214
Impairment loss of intangible assets	–	–	711
Operating loss before working capital changes	(11,287)	(48,940)	(52,231)
Change in accounts and loans receivables	(8,940)	(836)	2,048
Change in prepayments deposits and other receivables	(1,091)	(41,557)	439
Change in accounts and other payables	(7,140)	(4,917)	2,738
NET CASH USED IN OPERATING ACTIVITIES	(28,458)	(96,250)	(47,006)

	Year ended 31 March		
	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Cash flows from investing activities			
Purchase of investments at fair value through profit or loss	(2,144,598)	(1,401,378)	(659,780)
Prepaid consideration for investments	(450,000)	–	–
Subscription of debt investments	(745,655)	(2,857,750)	(1,412,364)
Purchase of equipment	(1,794)	(3,742)	(2,476)
Proceeds from disposal of equipment	15	–	–
Purchase of intangible assets	(5,782)	–	–
Proceeds from disposal of intangible assets	5,000	–	–
Net proceeds on disposal of listed securities	38,148	162,617	54,817
Proceeds on settlement of debt investments	994,963	177,770	1,044,761
Disposal and distribution from unlisted equity investments	138,534	25,936	90,572
Disposal and distribution from unlisted debt investments	778	781	–
Repayment of loans from third parties	48,481	134,270	–
Interest received	90,543	123,518	160,959
Dividends received	43,528	47,772	46,918
Distribution and redemption of unlisted investment funds	322	45,979	2,126
Acquisition of associates and a joint venture	(31,607)	(199,000)	(900)
Proceeds received from disposal of subsidiaries	–	1,600	16,248
Consideration received from co-investment partners	780	–	–
Payment to investment partners	(1,466)	–	(219)
Repayment from an associate	–	–	415
NET CASH USED IN INVESTING ACTIVITIES	(2,019,810)	(3,741,627)	(658,923)
Cash flows from financing activities			
(Increase)/decrease in pledged bank deposits	(20,000)	20,000	–
Repayment of borrowings	(227,000)	(236,701)	(1,066,843)
Drawdown of borrowings	1,629,948	1,093,141	1,781,492
Payment for principal portion of lease liabilities	(31,256)	(24,415)	(8,309)
Lease interests paid	(2,131)	(885)	(965)
Loan interests paid	(24,145)	(46,879)	(62,800)
Proceeds from issue of shares	742,641	3,055,580	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	2,068,057	3,859,841	642,575

	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	19,789	21,964	(63,354)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEARS	66,607	86,396	108,360
CASH AND CASH EQUIVALENTS AT THE END OF THE YEARS	86,396	108,360	45,006
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and cash balances	86,396	108,360	45,006

NOTES TO HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Target Company was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business is Room 3910-13, 39/F, COSCO Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong. The Target Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Target Company is an investment holding company. The principal activities of the subsidiaries of the Target Company is set out in Historical Financial Information of the Target Group.

2. BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with the accounting policies set out in Note 4 below which conform with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants. In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Target Group had adopted all the new and revised HKFRSs that are relevant to its operations and effective for its accounting period beginning on 1 April 2023. HKFRSs comprise Hong Kong Financial Reporting Standards ("**HKFRS**"); Hong Kong Accounting Standards; and Interpretations.

The Target Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Target Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on the results of operations and financial position of the Target Group.

4. MATERIAL ACCOUNTING POLICIES

The Historical Financial Information has been prepared under the historical cost convention, as modified by investments and derivative which are carried at their fair values.

The preparation of the Historical Financial Information in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these Historical Financial Information, are disclosed in note 5 to the Historical Financial Information.

The material accounting policies applied in the preparation of these Historical Financial Information are set out below.

Consolidation

The Historical Financial Information include the financial statements of the Target Company and its subsidiaries made up to the Relevant Periods. Subsidiaries are entities over which the Target Group has control. The Target Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Target Group has power over an entity when the Target Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Target Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Target Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Target Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Target Group.

Associates

Associates are entities over which the Target Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Target Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the Historical Financial Information by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Target Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Target Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Target Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Target Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Target Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Target Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Target Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Target Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Target Group and its associates are eliminated to the extent of the Target Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Target Group.

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Target Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has joint control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investment in a joint venture is accounted for in the Historical Financial Information by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Target Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Target Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Target Group's share of a joint venture's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Target Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Target Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Target Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Target Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The Historical Financial Information are presented in Hong Kong dollars ("**HK$**"), which is the Target Company's functional and presentation currency.

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(c) Translation on consolidation

The results and financial position of all the Target Group entities that have a functional currency different from the Target Company's presentation currency are translated into the Target Company's presentation currency as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

(iii) All resulting exchange differences are recognised in the exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the exchange reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Equipment

Equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Target Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Motor vehicle	33 $^{1}/_{3}$%
Computer equipment	25%
Office equipment	25%
Furniture	25%
Leasehold improvements	33 $^{1}/_{3}$%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Leases

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Target Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rate of buildings is 25% to 33 $^{1}/_{3}$%.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Target Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below United States dollars ("**US$**") 5,000.

Intangible assets

Cryptocurrencies with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that cryptocurrencies has suffered an impairment loss.

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Target Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Target Group transfers substantially all the risks and rewards of ownership of the assets; or the Target Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

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

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Target Group are classified as under the following categories:

– Financial assets at amortised cost; and

– Investments at fair value through profit or loss.

(a) Financial assets at amortised cost

Financial assets (including accounts and other receivables and debt investments) are classified under this category if they satisfy both of the following conditions:

– the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

(b) Investments at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Target Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

Loss allowances for expected credit losses

The Target Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

If, at the end of the reporting period, the credit risk on a financial instrument has not increased significantly since initial recognition, the Target Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Target Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Target Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Target Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Accounts and other payables

Accounts and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially recognised and subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss.

Equity instruments

Equity instruments issued by the Target Company are recorded at the proceeds received, net of direct issue costs.

Revenue

Revenue is measured at the fair value of the consideration received in the ordinary course of the Target Group's activities.

Revenue is recognised when it is probable that future economic benefits will flow to the Target Group and the amount of revenue can be measured reliably, on the following bases:

(i) Dividend income is recognised when the shareholders' rights to receive payment are established.

(ii) Interest income is recognised on a time-proportion basis using the effective interest method. When a loan and receivable is impaired, the Target Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

Employee benefits

(a) Employee leave entitlements

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Target Group participates in a mandatory provident fund scheme in Hong Kong which is a defined contribution retirement scheme available to all employees, generally funded through payments to trustee-administered funds. Contributions to the schemes by the Target Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Target Group to the funds.

(c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Target Group can no longer withdraw the offer of those benefits and when the Target Group recognises restructuring costs and involves the payment of termination benefits.

(d) Bonus

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

Liabilities for bonus are measured at the amounts expected to be paid when they are settled.

Share-based payments

The Target Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Target Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Target Group receives the services and is recognised as an expense.

When the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share capital and share premium. When the share options are forfeited or lapsed after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits/accumulated losses.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Target Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

Taxation

Income tax represents the sum of the current tax and deferred tax.

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Target Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Target Group intends to settle its current tax assets and liabilities on a net basis.

Segment reporting

Operating segments and the amounts of each segment item reported in the Historical Financial Information are identified from the financial information provided regularly to the Target Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Target Group's various lines of business.

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 productions 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.

Related parties

A related party is a person or entity that is related to the Target Group.

(a) A person or a close member of that person's family is related to the Target Group if that person:

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

(ii) has significant influence over the Target Group; or

(iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company.

(b) An entity is related to the Target Group if any of the following conditions applies:

(i) The entity and the Target 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 Target Group or an entity related to the Target Group. If the Target Group is itself such a plan, the sponsoring employers are also related to the Target Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Target Company or to a parent of the Target Company.

Impairment of assets

At the end of each reporting period, the Target Group reviews the carrying amounts of its tangible and intangible assets except investments and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Target Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Non-current assets held for sale

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets or disposal group are available for immediate sale in their present condition. The Target Group must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of the assets' or disposal group's previous carrying amount and fair value less costs to sell.

Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Target Group has a present 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 expenditures 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 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 is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Target Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the Historical Financial Information. Events after the reporting period that are not adjusting events are disclosed in the notes to the Historical Financial Information when material.

5. CRITICAL JUDGMENTS AND KEY ESTIMATES

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors of the Target Group have made the following judgements that have the most significant effect on the amounts recognised in the Historical Financial Information.

Assessment of the Target Company's status as an investment entity under HKFRS 10

In preparing the Historical Financial Information, significant judgment has been applied by the management in the determination of the Target Company's status as an investment entity under Amendments to HKFRS 10 "Consolidated Financial Statements". Management have assessed the definition of an investment entity under HKFRS 10 and given that the performance of the investments in associates are not measured on a fair value basis, management have concluded that the Target Company does not fall within the definition of an investment entity under HKFRS 10.

Key sources of estimation uncertainty

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

(a) Fair value of investments at fair value through profit or loss not quoted in an active market and underlying investments of investment in an associate

In the absence of quoted market prices in an active market, the directors estimate the fair value of the Target Group's investments at fair value through profit or loss and underlying investments of investment in an associate, details of which are set out in notes 18 and 17 to the Historical Financial Information respectively, by considering information from a variety of sources, including the latest published financial information, the historical data on market volatility as well as the price and industry and sector performance of the Target Group's investments at fair value through profit or loss and underlying investments of investment in an associate.

(b) Expected credit losses ("ECL") of debt investments and bad and doubtful debts

The Target Group makes impairment loss for debt investments and bad and doubtful debts based on assessments of the recoverability of debt investments and receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of debt investments and bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of debt investments and receivables and doubtful debt expenses in the year in which such estimate has been changed.

6. FINANCIAL RISK MANAGEMENT

The Target Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Target Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Target Group's financial performance.

(a) Foreign currency risk

The Target Group has certain exposure to foreign currency risk as certain investments at fair value through profit or loss, other receivables, bank balances, other payables and borrowings are denominated in Renminbi ("**RMB**"). The Target Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Target Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

As at 31 March 2022, 2023 and 2024, if RMB had strengthened/weakened 0.5% against HK$ with all other variables held constant, profit after tax for the years would have been HK$5,892,000; HK$10,197,000; and HK$14,187,000 higher/lower respectively, arising mainly as a result of the foreign exchange gains/losses on translation of certain investments at fair value through profit or loss, other receivables, bank balances, other payables and borrowings denominated in RMB.

(b) Price risk

The Target Group's investments at fair value through profit or loss are measured at fair value at the end of each reporting period. Therefore, the Target Group is exposed to equity security price risk. The Directors manage this exposure by maintaining a portfolio of investments with difference risk profiles.

As at 31 March 2022, 2023 and 2024, if the fair value of the investments increase/ decrease by 10%, profit before tax would have been HK$521,787,000; HK$665,822,000; and HK$658,036,000 higher/lower respectively, arising as a result of the fair value gain/ loss of the investments.

(c) Credit risk

The Target Group's maximum exposure to credit risk in the event of the counterparties fail to perform their obligations in relation to each class of recognised financial assets is the carrying amount of these assets as stated in the consolidated statements of financial position.

The credit risk on bank balances is limited because most of the counterparties are banks with investment-grade credit-ratings assigned by international credit-rating agencies.

The Target Group exposed to the credit risk if the counterparty to a financial instrument would fail to perform its obligation. The Target Group considers its exposure to credit risk increased because of the higher investment amount in debt securities. The directors have overall responsibility for overseeing the credit quality of the debt portfolio. The management delegated investment teams responsible for monitoring processes to ensure that follow-up actions are taken to recover doubtful debts. Financial positions of the underlying companies are closely monitored by regularly reviewing their financial and operation results and assessing their abilities to fulfill the repayment obligations.

In order to minimise the credit risk, the Target Group reviews the recoverable amount of each loan, dividend, interest and other receivables at the end of the reporting periods to ensure that adequate impairment losses are made for irrecoverable amounts.

The Target Group uses three categories for debt investments, accounts, loan receivables and others which reflect their credit risk and how the provision for ECL is determined for each of those categories. The credit loss allowance includes ECL for financial instruments that may default in the next 12-month period for financial instruments that have not observed a significant increase in credit risk since initial recognition ("**Stage 1**") or over a lifetime period for financial instruments that have observed a significant increase in credit risk since initial recognition ("**Stage 2**"). The allowance also includes lifetime ECL for financial instruments where there is objective evidence of credit-impairment at the end of the reporting period ("**Stage 3**").

The gross carrying amount of debt investments, accounts, loan receivables and others, and thus the maximum exposure to loss, is as follows:

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Debt investments			
Stage 1 – Unimpaired and without significant increase in credit risk	563,664	3,366,809	3,743,325
Stage 2 – Significant increase in credit risk	195,169	45,528	52,636
Total gross debt investments	758,833	3,412,337	3,795,961
Less: provision for ECL	(142,740)	(44,875)	(46,472)
Debt investments, net of provision for ECL	616,093	3,367,462	3,749,489

Stage 1: They are debt investments, interest bearing at 7.00% to 10.00% per annum ("**p.a.**") and with 9 months to 2-year term. They were secured by financial support commitments provided by the business partner of the debt investees. The Target Group did not observe a significant increase in credit risk since initial recognition and provided 12-month ECL with the assistance of an independent valuer on the Target Group's ECL assessments at the end of the Relevant Periods.

Stage 2: It is debt investment, interest bearing at 9.00% p.a. and with 1-year term. The Target Group observed a significant increase in credit risk due to the financial difficulties encountered by the debt investees during the Relevant Periods and assessed the lifetime ECL of these debt investments based on the difference between (i) estimated recoverable amounts from the debt investees and (ii) gross carrying amount of the debt investments.

Stage 3: They are unlisted debt investments, interest-bearing at 10% p.a. and with 2-year term. Objective evidence including inadequate repayment ability of debt investees, uncertainty related to going concern with the debt investee and subsequent request of debt restructuring from debt investee revealed credit impairment of these debt investments at the end of the Relevant Periods. The Target Group assessed the lifetime ECLs of these debt investments based on the difference between (i) estimated recoverable amounts from the debt investees and/or the guarantors and (ii) gross carrying amount of the debt investments.

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Accounts, loan receivables and others			
Stage 1 – Unimpaired and without significant increase in credit risk	334,697	291,929	376,858
Stage 2 – Significant increase in credit risk	14,459	6,915	4,257
Total gross accounts, loan receivables and others	349,156	298,844	381,115
Less: provision for ECL	(19,576)	(5,852)	(4,529)
Accounts, loan receivables and others, net of provision for ECL	329,580	292,992	376,586

Stage 1: They are interest receivables from debt investments, loans provided to an associate and independent third parties and others. The Target Group did not observe a significant increase in credit risk since initial recognition and provided 12-month ECL with the assistance of an independent valuer on the Target Group's ECL assessments at the end of the Relevant Periods.

Stage 2: They are interest receivables from debt investments. The Target Group observed a significant increase in credit risk due to the financial difficulties encountered by the debt investees during the Relevant Periods and assessed the lifetime ECL of these interest receivables from debt investments based on the difference between (i) estimated recoverable amounts from the debt investees and (ii) gross carrying amount of the debt investments.

Stage 3: They are interest receivables from debt investments and loan to a potential investee. Objective evidence including inadequate repayment ability of debt investees and borrower, uncertainty related to going concern with the debt investee and subsequent request of debt restructuring from debt investee revealed credit impairment of these debt investments at the end of the Relevant Periods. The Target Group assessed the lifetime ECLs of these debt investments based on the difference between (i) estimated recoverable amounts from the debt investees/borrower and/or the guarantors and (ii) gross carrying amount of the debt investments/loan.

	Stage 1 12-month ECL *HK$'000*	Stage 2 Lifetime ECL *HK$'000*	Stage 3 Lifetime ECL *HK$'000*	Total *HK$'000*
Exposure				
Debt investments				
At 1 April 2021	317,150	421,879	332,791	1,071,820
Addition	745,655	–	–	745,655
Write off	–	–	(3,680)	(3,680)
Settlement	(499,151)	(383,000)	(220,812)	(1,102,963)
Transfer	–	155,998	(108,299)	47,699
Exchange difference	10	292	–	302
At 31 March 2022 and 1 April 2022	563,664	195,169	–	758,833
Addition	2,857,750	–	–	2,857,750
Settlement	(28,000)	(149,770)	–	(177,770)
Transfer	1,800	–	–	1,800
Exchange difference	(28,405)	129	–	(28,276)
At 31 March 2023 and 1 April 2023	3,366,809	45,528	–	3,412,337
Addition	1,412,364	–	–	1,412,364
Settlement	(1,044,761)	–	–	(1,044,761)
Transfer	52,306	7,282	–	59,588
Exchange difference	(43,393)	(174)	–	(43,567)
At 31 March 2024	3,743,325	52,636	–	3,795,961
Accounts, loan receivables and others				
At 1 April 2021	328,965	48,984	122,930	500,879
Addition	106,738	19,573	15,098	141,409
Write off	(44)	–	(87,274)	(87,318)
Settlement	(111,311)	(59,088)	–	(170,399)
Transfer	–	4,967	(52,666)	(47,699)
Exchange difference	10,349	23	1,912	12,284

	Stage 1 12-month ECL *HK$'000*	Stage 2 Lifetime ECL *HK$'000*	Stage 3 Lifetime ECL *HK$'000*	Total *HK$'000*
At 31 March 2022 and 1 April 2022	334,697	14,459	–	349,156
Addition	275,813	11,147	–	286,960
Settlement	(299,259)	(18,704)	–	(317,963)
Transfer	(1,800)	–	–	(1,800)
Exchange difference	(17,522)	13	–	(17,509)
At 31 March 2023 and 1 April 2023	291,929	6,915	–	298,844
Addition	455,010	4,625	–	459,635
Settlement	(265,881)	–	–	(265,881)
Transfer	(52,306)	(7,282)	–	(59,588)
Disposal of subsidiaries	(47,666)	–	–	(47,666)
Exchange difference	(4,228)	(1)	–	(4,229)
At 31 March 2024	376,858	4,257	–	381,115

The following table reconciles the movement in ECL during the Relevant Periods:

Debt investments				
At 1 April 2021	24,678	247,265	250,504	522,447
Addition	28,097	–	–	28,097
Write off	–	–	(3,680)	(3,680)
Settlement	(24,677)	(243,000)	(154,492)	(422,169)
Remeasurement	–	700	(24,435)	(23,735)
Transfer	–	109,368	(67,897)	41,471
Exchange difference	305	4	–	309
At 31 March 2022 and 1 April 2022	28,403	114,337	–	142,740
Addition	16,053	–	–	16,053
Settlement	(1,411)	(109,368)	–	(110,779)
Remeasurement	(1,431)	–	–	(1,431)
Exchange difference	(1,711)	3	–	(1,708)

	Stage 1 12-month ECL HK$'000	Stage 2 Lifetime ECL HK$'000	Stage 3 Lifetime ECL HK$'000	Total HK$'000
At 31 March 2023 and 1 April 2023	39,903	4,972	–	44,875
Addition	1,529	–	–	1,529
Settlement	(5,560)	–	–	(5,560)
Remeasurement	6,061	28	–	6,089
Transfer	–	801	–	801
Exchange difference	(1,259)	(3)	–	(1,262)
At 31 March 2024	40,674	5,798	–	46,472
Accounts, loan receivables and others				
At 1 April 2021	23,956	43,716	120,629	188,301
Write off	–	–	(87,274)	(87,274)
Settlement	–	(44,537)	–	(44,537)
Remeasurement	(13,576)	1,175	14,378	1,977
Transfer	–	8,175	(49,646)	(41,471)
Exchange difference	667	–	1,913	2,580
At 31 March 2022 and 1 April 2022	11,047	8,529	–	19,576
Settlement	(2,130)	(8,175)	–	(10,305)
Remeasurement	(2,906)	401	–	(2,505)
Exchange difference	(914)	–	–	(914)
At 31 March 2023 and 1 April 2023	5,097	755	–	5,852
Addition	50	–	–	50
Settlement	(1,731)	–	–	(1,731)
Remeasurement	3,069	510	–	3,579
Transfer	–	(801)	–	(801)
Disposal of subsidiaries	(2,254)	–	–	(2,254)
Exchange difference	(166)	–	–	(166)
At 31 March 2024	4,065	464	–	4,529

(d) Liquidity risk

The Target Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Target Group's financial liabilities is as follows:

	Less than 1 year or on demand	**Between 1 and 2 years**	**Between 2 and 5 years**
	HK$'000	*HK$'000*	*HK$'000*
At 31 March 2022			
Accounts payables	57	–	–
Other payables	19,180	–	–
Borrowings	1,880,592	–	–
Lease liabilities	24,333	4,592	1,552
	1,924,162	4,592	1,552
At 31 March 2023			
Accounts payables	50	–	–
Other payables	39,926	–	–
Borrowings	1,303,262	–	–
Lease liabilities	7,699	4,878	1,719
	1,350,937	4,878	1,719
At 31 March 2024			
Accounts payables	50	–	–
Other payables	60,805	–	–
Borrowings	1,434,225	–	–
Lease liabilities	6,358	3,879	180
	1,501,438	3,879	180

(e) Interest rate risk

The Target Group's debt investments, loan receivables, other receivables, other payables and borrowings bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Target Group's exposure to interest-rate risk arises from its bank balances and bank borrowings. These balances bear interests at variable rates varied with the then prevailing market condition.

As at 31 March 2022, 2023 and 2024, if interest rates at that date had been 25 basis points higher/lower with all other variables held constant, profit for the years would have been HK$28,000; HK$1,351,000; and HK$637,000 lower/higher respectively, arising mainly as a result of higher/lower interest on bank borrowings.

(f) Categories of financial instruments

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Financial assets:			
Investments at fair value through profit or loss			
– Designated as such upon initial recognition	5,217,865	6,658,223	6,235,420
Debt investments	616,093	3,367,462	3,749,489
Financial assets at amortised cost (including cash and cash equivalents)	432,587	401,352	421,592
Financial liabilities:			
Financial liabilities at fair value through profit or loss			
– Designated as such upon initial recognition	4,555	3,892	2,942
Financial liabilities at amortised cost	1,893,736	1,333,740	1,488,061

(g) Fair values

The carrying amounts of the Target Group's financial assets and financial liabilities as reflected in the statements of financial position approximate their respective fair values.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Target Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Target Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy

Description	Fair value measurements using			Total
	Level 1	**Level 2**	**Level 3**	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2022				
Recurring fair value measurements:				
Assets				
Investments at fair value through profit or loss				
– Listed equity securities	906,374	–	–	906,374
– Unlisted equity investments	–	–	2,706,024	2,706,024
– Unlisted investment funds and limited partnership	–	77,502	1,517,675	1,595,177
– Unlisted debt investments	–	–	10,290	10,290
	906,374	77,502	4,233,989	5,217,865
Liabilities				
Financial liabilities at fair value through profit or loss	–	–	(4,555)	(4,555)
Total recurring fair value measurements	906,374	77,502	4,229,434	5,213,310

Description	Fair value measurements using			
	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2023				
Recurring fair value measurements:				
Assets				
Investments at fair value through profit or loss				
– Listed equity securities	534,476	–	–	534,476
– Unlisted equity investments	–	–	3,113,682	3,113,682
– Unlisted investment funds and limited partnership	–	21,160	2,979,370	3,000,530
– Unlisted debt investments	–	–	9,535	9,535
	534,476	21,160	6,102,587	6,658,223
Liabilities				
Financial liabilities at fair value through profit or loss	–	–	(3,892)	(3,892)
Total recurring fair value measurements	534,476	21,160	6,098,695	6,654,331
At 31 March 2024				
Recurring fair value measurements:				
Assets				
Investments at fair value through profit or loss				
– Listed equity securities	217,910	–	–	217,910
– Unlisted equity investments	–	–	2,630,081	2,630,081
– Unlisted investment funds and limited partnership	–	21,514	1,733,915	1,755,429
– Unlisted economic interest	–	–	1,632,000	1,632,000
	217,910	21,514	5,995,996	6,235,420
Liabilities				
Financial liabilities at fair value through profit or loss	–	–	(2,942)	(2,942)
Total recurring fair value measurements	217,910	21,514	5,993,054	6,232,478
Non-recurring fair value measurements				
Non-current assets held for sale				
Investments at fair value through profit or loss				
– Unlisted equity investments	–	–	344,944	344,944

(b) Reconciliation of assets and liabilities measured at fair value based on level 3

	Investments at fair value through profit or loss					
	Unlisted equity investments	Unlisted investment funds and limited partnership	Unlisted debt investments	Unlisted economic interest	Total assets	Financial liabilities at fair value through profit or loss
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2021	2,644,309	18,710	10,222	–	2,673,241	(7,248)
Total gains or losses recognised						
– in profit or loss (#)	(102,015)	(825)	846	–	(101,994)	2,011
Addition	289,459	1,500,000	–	–	1,789,459	(780)
Disposal and distribution	(138,534)	(210)	(778)	–	(139,522)	1,466
Exchange difference	12,805	–	–	–	12,805	(4)
At 31 March 2022 and 1 April 2022	2,706,024	1,517,675	10,290	–	4,233,989	(4,555)
Total gains or losses recognised						
– in profit or loss (#)	(13,565)	160,678	26	–	147,139	611
Addition	480,510	1,298,144	–	–	1,778,654	–
Disposal and distribution	(25,936)	(209)	(781)	–	(26,926)	–
Exchange difference	(33,351)	3,082	–	–	(30,269)	52
At 31 March 2023 and 1 April 2023	3,113,682	2,979,370	9,535	–	6,102,587	(3,892)
Total gains or losses recognised						
– in profit or loss (#)	(20,275)	22,554	(14)	(72,863)	(70,598)	692
Addition	1,874	489,002	–	1,704,863	2,195,739	–
Disposal and distribution	(90,572)	(2,126)	–	–	(92,698)	219
Disposal of subsidiaries	–	(1,674,870)	(9,521)	–	(1,684,391)	–
Transfer out	(7,745)	–	–	–	(7,745)	–
Exchange difference	(21,939)	(80,015)	–	–	(101,954)	39
At 31 March 2024	2,975,025	1,733,915	–	1,632,000	6,340,940	(2,942)
(#) Include gains or losses for assets and liabilities held						
At 31 March 2022	(102,024)	(825)	846	–	(102,003)	2,011
At 31 March 2023	14,217	160,678	26	–	174,921	611
At 31 March 2024	7,396	22,554	–	(72,863)	(42,913)	692

The total gains or losses recognised in profit or loss including those for assets and liabilities held as at 31 March 2022, 2023 and 2024 are presented in net change in unrealised (loss)/gain on investments at fair value through profit or loss arising from unlisted investments and net change in unrealised gain on financial liabilities at fair value through profit or loss respectively in the consolidated statements of profit or loss and other comprehensive income.

(c) Disclosure of valuation process used by the Target Group and valuation techniques and inputs used in fair value measurements at the end of the reporting periods

The Target Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the board of directors (the "**Board**") for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board at least twice a year.

For level 3 fair value measurements, the Target Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations, and refer to prices quoted by fund administrators.

Level 2 fair value measurements

			Fair value At 31 March		
Description	**Valuation technique**	**Input**	**2022**	**2023**	**2024**
			HK$'000	*HK$'000*	*HK$'000*
Unlisted investment funds	Share of net assets	N/A	77,502	21,160	21,514

Level 3 fair value measurements

Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value
				HK$'000
At 31 March 2022				
Investments at fair value through profit or loss				
Unlisted equity investments				
Latest transaction price	N/A	N/A	N/A	1,053,486
Share of net assets	N/A	N/A	N/A	368,160
Discounted cash flows	Discount rate	30.05%	Decrease	1,000,551
	Long-term growth rate	3.00%	Increase	
	Discount for lack of marketability and control	20.00%	Decrease	
Market approach	Discount rate	65.26%	Decrease	142,516 *(note (b))*
Market comparable companies	Price-to-book ratio	2.42	Increase	43,920
	Discount rate for lack of marketability	20.60%	Decrease	
Market comparable companies	Earning multiples	37.90	Increase	59,518
	Discount rate for lack of marketability	30.00%	Decrease	
Unlisted non-voting preference shares				
Share of net assets	N/A	N/A	N/A	73
Market comparable companies	Earning multiples	11.44	Increase	37,800
	Discount rate for lack of marketability	20.60%	Decrease	*(note (b))*
Unlisted investment funds and limited partnership				
Share of net assets	N/A	N/A	N/A	1,517,675
Unlisted bond				
Market comparable companies	Earning multiples	20.60	Increase	10,290
	Discount rate for lack of marketability	30.00%	Decrease	

Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value
				HK$'000
Financial liabilities at fair value through profit or loss				
Share of investment results	N/A	N/A	N/A	(4,555)
At 31 March 2023				
Investments at fair value through profit or loss				
Unlisted equity investments				
Latest transaction price	N/A	N/A	N/A	151,076
Share of net assets	N/A	N/A	N/A	798,212
Discounted cash flows	Discount rate	8.42%-30.58%	Decrease	1,916,369
	Long-term growth rate	2.20%-3.00%	Increase	*(notes (a)(v)*
	Discount for lack of marketability and control	15.70%-20.00%	Decrease	*and (b))*
Market approach	Discount rate	12.36%	Decrease	171,623
				(note (b))
Market comparable companies	Price-to-book ratio	1.77	Increase	36,502
	Discount rate for lack of marketability	20.60%	Decrease	
Unlisted non-voting preference shares				
Market comparable companies	Earnings multiples	11.77	Increase	39,900
	Discount rate for lack of marketability	20.50%	Decrease	*(note (b))*
Unlisted investment funds and limited partnership				
Latest transaction price	N/A	N/A	N/A	1,962
Share of net assets	N/A	N/A	N/A	2,977,408
Unlisted bond				
Market comparable companies	Earning multiples	18.00	Increase	9,535
	Discount rate for lack of marketability	30.00%	Decrease	
Financial liabilities at fair value through profit or loss				
Share of investment results	N/A	N/A	N/A	(3,892)

Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value
				HK$'000
At 31 March 2024				
Investments at fair value through profit or loss				
Unlisted equity investments				
Latest transaction price	N/A	N/A	N/A	457,645 *(notes (a)(i) and (ii))*
Share of net assets	N/A	N/A	N/A	432,353
Discounted cash flows	Discount rate	7.79%-35.38%	Decrease	1,879,753
	Long-term growth rate	2.02%-3.00%	Increase	*(note (b))*
	Discount for lack of marketability and control	15.70%-20.00%	Decrease	
Market approach	Discount rate	17.19%	Decrease	175,151 *(note (b))*
Market comparable companies	Price-to-book ratio	72.33	Increase	5,623
	Discount rate for lack of marketability	30.00%	Decrease	*(note (a)(iii))*
Unlisted non-voting preference shares				
Market comparable companies	Price-to-book ratio	1.95	Increase	24,500
	Discount rate for lack of marketability	20.50%	Decrease	*(note (b))*
Unlisted investment funds and limited partnership				
Share of net assets	N/A	N/A	N/A	1,733,915 *(note (a)(iv))*
Unlisted economic interest				
Discounted cash flows	Discount rate	11.70%	Decrease	1,632,000
	Long-term growth rate	2.02%	Increase	*(note (b))*
Financial liabilities at fair value through profit or loss				
Share of investment results	N/A	N/A	N/A	(2,942)

Notes:

(a) There were no changes in the valuation techniques used except the following investments:

(i) 華建實業投資有限公司

The valuation technique was changed from "Share of net assets" to "Latest transaction price" during the year ended 31 March 2024 as the company committed to dispose the investment at agreed price as detailed in note 24 to the Historical Financial Information.

(ii) 德興市益豐再生有色金屬有限責任公司

The valuation technique was changed from "Market comparable companies" to "Latest transaction price" during the year ended 31 March 2024 as the transaction price was arrived within a year and constituted an appropriate reference for the most recent valuation.

(iii) 深圳量旋科技有限公司

The valuation technique was changed from "Latest transaction price" to "Market comparable companies" during the year ended 31 March 2024 as the transaction price was arrived at for more than a year ago and no longer constituted an appropriate reference for the most recent valuation and "Market comparable companies" is a more appropriate approach to value fair value of a company that is under development stage with great growth potential in the future.

(iv) Value Internet Fund I

The valuation technique was changed from "Latest transaction price" to "Share of net assets" during the year ended 31 March 2024 as the transaction price was arrived at for more than a year ago and no longer constituted an appropriate reference for the most recent valuation and "Share of net assets" is a more appropriate approach.

(v) Jiedaibao Limited

The valuation technique was changed from "Latest transaction price" to "Discounted cash flows" during the year ended 31 March 2023 as the transaction price was arrived at for more than a year ago and no longer constituted an appropriate reference for the most recent valuation and "Discounted cash flows" is a more appropriate approach to value fair value of a company that is under development stage with great potential for growth in the future.

(b) The fair value of certain investments at fair value through profit or loss has been arrived at on the basis of valuations carried out on those dates by independent qualified professional valuers not connected to the Target Group.

8. REVENUE AND SEGMENT INFORMATION

	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Dividend income	2,654	1,038	–
Interest revenue	91,275	191,703	308,329
Total revenue	93,929	192,741	308,329

The chief operating decision maker has been identified as the executive director, subject to requirements of the Listing Rules. The executive director assesses the operating segments using a measure of operating profit. The Target Group's measurement policies for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements.

On adopting of HKFRS 8, based on the internal financial information reported to the executive director for decisions about resources allocation to the Target Group's business components and review of these components' performance, the Target Group has identified only one operating segment, being investment holding. Accordingly, segment disclosures are not presented.

Geographical information

	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Revenue			
– Hong Kong	30,912	137,556	232,974
– Mainland China	42,022	51,546	70,730
– United States of America	20,995	3,639	4,625
	93,929	192,741	308,329

In presenting the geographical information, revenue in relation to equity investments is based on the location of the investments and the revenue in relation to debt investments and loan receivables is based on location of provision of credit.

Non-current assets other than financial instruments

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Hong Kong	135,541	330,451	269,908
Mainland China	585,177	606,999	399,831
United States of America	782	782	71

Revenue from major debt investments and loan receivables

Revenue of the Target Group which individually accounted for 10% or more of the Target Group's total revenue is shown below:

	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Debt investment A	–	–	61,560
Debt investment B	–	51,016	#
Debt investment C	17,440	28,258	40,611
Debt investment D	–	23,405	38,806
Debt investment E	14,795	#	–
Debt investment F	10,141	#	#
Debt investment G	10,275	#	#
Borrower H	11,330	#	#

The amount of revenue from the debt investments and loan receivables was less than 10% of the total revenue for the Relevant Periods.

9. OTHER INCOME AND GAINS/(LOSSES), NET

		Year ended 31 March		
		2022	2023	2024
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Net (loss)/gain on disposal of subsidiaries	*34*	–	(1,540)	84,308
Impairment loss of goodwill arising from investment in an associate		–	–	(6,214)
Impairment loss of intangible assets	*16*	–	–	(711)
Others		1,302	255	281
		1,302	(1,285)	77,664

10. FINANCE COSTS

	Year ended 31 March		
	2022	2023	2024
	HK$'000	*HK$'000*	*HK$'000*
Interest on borrowings	32,432	74,146	85,401
Interest on lease liabilities	2,131	885	965
	34,563	75,031	86,366

11. INCOME TAX (CREDIT)/EXPENSES

		Year ended 31 March		
		2022	2023	2024
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Current tax – People's Republic of China ("**PRC**") Enterprise Income Tax				
– Provision for the Relevant Periods		–	3,140	955
Deferred tax	*30*	(4,113)	–	–
		(4,113)	3,140	955

No provision for Hong Kong Profits Tax has been made for the Relevant Periods as the Target Group did not generate any assessable profits arising in Hong Kong during those years.

No income tax provision for PRC Enterprise Income Tax has been made for the year ended 31 March 2022 as the Target Group did not generate any assessable profits arising in the PRC during that year. The income tax provision of the Target Group in respect of operations in the PRC was calculated at the tax rate of 25% on the assessable profits for the years ended 31 March 2023 and 2024, based on existing legislation, interpretation and practices in respect thereof.

The reconciliation between the income tax (credit)/expenses and the product of profit before tax multiplied by the weighted average tax rate of the consolidated companies is as follows:

	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Profit before tax	217,160	149,523	54,608
Tax at the weighted average tax rate	68,199	(29,307)	(14,767)
Tax effect of income not taxable	(120,083)	(34,262)	(48,581)
Tax effect of expenses not deductible	46,954	61,010	52,898
Tax effect of tax losses not recognised	251	5,342	11,176
Tax effect of temporary differences not recognised	566	357	229
Income tax (credit)/expenses	(4,113)	3,140	955

12. PROFIT FOR THE YEARS

The Target Group's profit for the Relevant Periods is stated after charging/(crediting) the following:

	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Depreciation of equipment	6,283	4,843	2,031
Depreciation of right-of-use assets	31,117	22,934	7,250
Loss on disposal of equipment	157	–	–
(Reversal of provision)/provision for ECL			
– debt investments	(417,807)	(96,157)	2,058
– accounts, loans, interest and other receivables	(42,560)	(12,810)	1,898
	(460,367)	(108,967)	3,956
Staff costs including Directors' emoluments			
– Salaries and other benefits	18,211	16,651	15,716
– Equity-settled share-based payments	828	–	–
– Retirement benefits scheme contributions	273	377	382
	19,312	17,028	16,098

13. EARNINGS PER SHARES

The calculation of the basic and diluted earnings per share is based on the following:

	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Earnings			
Earnings for the purpose of calculating basic and diluted earnings per share	221,273	146,383	53,653
	'000	*'000*	*'000*
Number of shares			
Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share	3,436,620	8,120,866	10,520,325

Diluted earnings per share is the same as basic earnings per share as the Target Company did not have any dilutive potential ordinary share during the Relevant Periods.

14. EQUIPMENT

	Motor vehicle	Computer equipment	Office equipment	Furniture	Leasehold improvements	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost						
At 1 April 2021	777	1,808	269	2,407	18,666	23,927
Addition	–	77	18	277	1,422	1,794
Disposal	–	(164)	(14)	(287)	–	(465)
At 31 March 2022 and 1 April 2022	777	1,721	273	2,397	20,088	25,256
Addition	–	145	3	–	3,594	3,742
Write off	–	–	–	–	(18,666)	(18,666)
Exchange difference	–	(3)	(1)	(20)	(103)	(127)
At 31 March 2023 and 1 April 2023	777	1,863	275	2,377	4,913	10,205
Addition	–	–	–	–	2,476	2,476
Exchange difference	–	(2)	(1)	(14)	(73)	(90)
At 31 March 2024	777	1,861	274	2,363	7,316	12,591
Accumulated depreciation						
At 1 April 2021	755	1,113	135	1,212	10,669	13,884
Charge for the year	22	362	65	558	5,276	6,283
Disposal	–	(94)	(10)	(189)	–	(293)
At 31 March 2022 and 1 April 2022	777	1,381	190	1,581	15,945	19,874
Charge for the year	–	267	61	545	3,970	4,843
Write off	–	–	–	–	(18,666)	(18,666)
Exchange difference	–	–	–	(3)	(21)	(24)
At 31 March 2023 and 1 April 2023	777	1,648	251	2,123	1,228	6,027
Charge for the year	–	99	17	160	1,755	2,031
Exchange difference	–	(1)	–	(6)	(45)	(52)
At 31 March 2024	777	1,746	268	2,277	2,938	8,006
Carrying amount						
At 31 March 2022	–	340	83	816	4,143	5,382
At 31 March 2023	–	215	24	254	3,685	4,178
At 31 March 2024	–	115	6	86	4,378	4,585

15. LEASES AND RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Right-of-use assets – Building	26,686	11,409	8,654

The maturity analysis, based on undiscounted cash flows, of the Target Group's lease liabilities is as follows:

– Less than 1 year	24,333	7,699	6,358
– Between 1 and 2 years	4,592	4,878	3,879
– Between 2 and 5 years	1,552	1,719	180
	30,477	14,296	10,417

	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Depreciation of right-of-use assets – Building	31,117	22,934	7,250
Lease interests	2,131	885	965
Total cash outflow for leases	33,387	25,300	9,274
Addition to right-of-use assets	11,296	8,256	4,730

Lease agreements are typically made for fixed periods of 3 to 3.6 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

16. INTANGIBLE ASSETS

Cryptocurrencies

	HK$'000
Cost	
At 1 April 2021	–
Addition	5,782
Disposal	(5,000)
At 31 March 2022, 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	782
Accumulated impairment loss	
At 1 April 2021, 31 March 2022, 1 April 2022, 31 March 2023 and 1 April 2023	–
Impairment loss	711
At 31 March 2024	711
Carrying amount	
At 31 March 2022	782
At 31 March 2023	782
At 31 March 2024	71

17. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Unlisted investments			
– Associates			
– Share of net assets	676,585	712,793	442,602
– Goodwill	6,214	6,214	7,023
	682,799	719,007	449,625
– Joint ventures – share of net assets	5,851	202,856	206,875
	688,650	921,863	656,500

Details of the Target Group's principal associates and joint ventures are as follows:

	Principal place of business	Place of incorporation	Percentage of ownership interest and voting rights held by the Target Group			Principal activities
			2022	2023	2024	
Associates						
CSOP Asset Management Limited ("**CSOP**") *(note (i))*	Hong Kong	Hong Kong	22.50%	22.50%	22.50%	Asset management and investment holding
Guotai Junan Fund Management Limited	Hong Kong	Hong Kong	29.90%	29.90%	29.90%	Asset management and trading in securities
OPIM Holdings Limited ("**OPIM**")	Hong Kong	BVI	30.00%	30.00%	30.00%	Asset management
BA Fintech Lab Limited	Hong Kong	BVI	0%	note (ii)	28.35%	Asset management
Treasure Up Ventures Limited ("**TUVL**")	PRC	The Republic of Seychelles	25.00%	25.00%	25.00%	Asset management
iCarbonX OP Investment Limited	PRC	BVI	29.00%	29.00%	29.00%	Investment holding
東英騰華融資租賃(深圳)有限公司("**東英騰華**")	PRC	PRC	30.00%	30.00%	30.00%	Lease investments
上海赫奇企業管理諮詢有限公司("**上海赫奇**")	PRC	PRC	23.52%	23.52%	note (iii)	Investment holding
Greater Bay Area Kunlun Investment SPC ("**昆侖投資基金**")	PRC	Cayman Islands	30.00%	30.00%	note (iv)	Dormant
東創智能(海南)數字科技有限公司("**東創智能**")	PRC	PRC	30.00%	30.00%	30.00%	Dormant
博石資產管理股份有限公司	PRC	PRC	29.90%	29.90%	29.90%	Asset management
Joint ventures						
Shen Jiang L.P.	Hong Kong	Cayman Islands	50.00%	50.00%	50.00%	Investment holding
Magopt Investment L.P.	Hong Kong	BVI	50.00%	50.00%	50.00%	Dormant
OP EBS Fintech Investment L.P.	Hong Kong	Cayman Islands	40.00%	40.00%	40.00%	Investment holding
深圳市君匯鑫亦諮詢合夥企業(有限合夥)	PRC	PRC	50.00%	50.00%	50.00%	Investment holding
Golden Cloud Principal Technology Company Limited ("**Golden Cloud**")	Hong Kong	BVI	0%	19.90%	19.90%	Investment holding

Notes:

(i) It is pledged to secured bank facilities granted to the Target Group.

(ii) As at 31 March 2023, the Target Group owned less than 20% of the equity interest of BA Fintech Lab Limited.

(iii) The associate was disposed along with the disposal of WK Metalight Holdings Limited during the year ended 31 March 2024 as detailed in note 34 to the Historical Financial Information.

(iv) As at 31 March 2024, 昆侖投資基金 was liquidated.

Summarised financial information in respect of the Target Group's associates (based on the management accounts of the associates) is set out below:

	CSOP	TUVL	東英騰華	Others	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
			(note (v))		
At 31 March 2022					
Non-current assets	2,140	–	105,506	73,027	180,673
Current assets	1,012,598	1,577,413	182,434	216,768	2,989,213
Current liabilities	(553,661)	–	(14,617)	(103,842)	(672,120)
Net assets	461,077	1,577,413	273,323	185,953	2,497,766
The Target Group's share of investments' net assets	103,742	394,353	74,612	103,878	676,585
At 31 March 2023					
Non-current assets	1,932	–	49,185	68,400	119,517
Current assets	1,021,539	1,747,360	223,800	219,974	3,212,673
Current liabilities	(533,138)	–	(14,977)	(113,174)	(661,289)
Net assets	490,333	1,747,360	258,008	175,200	2,670,901
The Target Group's share of investments' net assets	110,325	436,840	70,550	95,078	712,793
At 31 March 2024					
Non-current assets	4,241	–	45,871	96,730	146,842
Current assets	1,210,782	988,772	209,901	95,985	2,505,440
Non-current liabilities	–	–	–	(5,373)	(5,373)
Current liabilities	(717,841)	–	(14,150)	(105,970)	(837,961)
Net assets	497,182	988,772	241,622	81,372	1,808,948
The Target Group's share of investments' net assets	111,866	247,193	66,019	17,524	442,602
Year ended 31 March 2022					
Revenue	581,584	–	19,316	94,089	694,989
Profit/(loss) before tax	221,871	(209,614)	(5,167)	3,604	10,694
Income tax expense	(18,911)	–	–	–	(18,911)
Profit/(loss) for the year	202,960	(209,614)	(5,167)	3,604	(8,217)
Other comprehensive income	5,514	–	–	–	5,514
Total comprehensive income/(expense)	208,474	(209,614)	(5,167)	3,604	(2,703)

	CSOP HK$'000	TUVL HK$'000	東英騰華 HK$'000 (note (v))	Others HK$'000	Total HK$'000
The Target Group's share of investments' tax	(4,255)	–	–	–	(4,255)
The Target Group's share of investments' profit/(loss) for the year	45,405	(38,928)	(1,418)	(82)	4,977
The Target Group's share of investments' other comprehensive income for the year	1,241	–	–	–	1,241
Dividend from associates	25,439	14,921	–	–	40,360
Year ended 31 March 2023					
Revenue	641,467	–	2,118	74,761	718,346
Profit/(loss) before tax	239,384	169,947	4,389	(1,451)	412,269
Income tax expense	(17,894)	–	–	–	(17,894)
Profit/(loss) for the year	221,490	169,947	4,389	(1,451)	394,375
Other comprehensive expense	(7,700)	–	–	–	(7,700)
Total comprehensive income/(expense)	213,790	169,947	4,389	(1,451)	386,675
The Target Group's share of investments' tax	(4,026)	–	–	–	(4,026)
The Target Group's share of investments' profit/(loss) for the year	49,851	39,468	1,333	(1,550)	89,102
The Target Group's share of investments' other comprehensive expense for the year	(1,733)	–	–	–	(1,733)
Dividend from associate	41,536	–	–	–	41,536
Year ended 31 March 2024					
Revenue	844,671	–	370	57,340	902,381
Profit/(loss) before tax	316,111	(667,039)	(1,867)	(23,494)	(376,289)
Income tax expense	(34,481)	–	–	–	(34,481)
Profit/(loss) for the year	281,630	(667,039)	(1,867)	(23,494)	(410,770)
Other comprehensive expense	(222)	–	–	–	(222)
Total comprehensive income/(expense)	281,408	(667,039)	(1,867)	(23,494)	(410,992)
The Target Group's share of investments' tax	(7,758)	–	–	–	(7,758)
The Target Group's share of investments' profit/(loss) for the year	63,367	(165,092)	(577)	(963)	(103,265)
The Target Group's share of investments' other comprehensive expense for the year	(50)	–	–	–	(50)
Dividend from associates	61,775	–	–	5,382	67,157

Note (v): The Target Group's share of investments' net assets is calculated by percentage of paid-up capital in the associate.

As at 31 March 2022, 2023 and 2024, the bank and cash balances of the Target Group's associates denominated in RMB amounted to HK$4,673,000; HK$5,990,000; and HK$19,227,000 respectively. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

Summarised financial information in respect of the Target Group's joint ventures (based on the management accounts of the joint ventures) is set out below:

	Golden Cloud	**Others**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 31 March 2022			
Non-current assets	N/A	11,699	11,699
Current assets	N/A	1,084	1,084
Current liabilities	N/A	(1,176)	(1,176)
Net assets	N/A	11,607	11,607
The Target Group's share of investments' net assets	N/A	5,851	5,851
At 31 March 2023			
Non-current assets	744,662	5,037	749,699
Current assets	701,879	866	702,745
Current liabilities	(439,822)	(1,240)	(441,062)
Net assets	1,006,719	4,663	1,011,382
The Target Group's share of investments' net assets	200,337	2,519	202,856
At 31 March 2024			
Non-current assets	759,868	6,404	766,272
Current assets	743,481	866	744,347
Non-current liabilities	(17,934)	–	(17,934)
Current liabilities	(461,927)	(1,313)	(463,240)
Net assets	1,023,488	5,957	1,029,445
The Target Group's share of investments' net assets	203,674	3,201	206,875

	Golden Cloud	Others	Total
	HK$'000	*HK$'000*	*HK$'000*
Year ended 31 March 2022			
Revenue	N/A	–	–
Loss before tax	N/A	(497)	(497)
Income tax expense	N/A	–	–
Loss and total comprehensive expense for the year	N/A	(497)	(497)
The Target Group's share of investments' tax	N/A	–	–
The Target Group's share of investments' loss for the year	N/A	(299)	(299)
The Target Group's share of investments' other comprehensive income for the year	N/A	–	–
Year ended 31 March 2023			
Revenue	15,000	–	15,000
Profit/(loss) before tax	8,688	(5,637)	3,051
Income tax expense	–	–	–
Profit/(loss) and total comprehensive income/(expense) for the year	8,688	(5,637)	3,051
The Target Group's share of investments' tax	–	–	–
The Target Group's share of investments' profit/(loss) for the year	1,337	(2,898)	(1,561)
The Target Group's share of investments' other comprehensive income for the year	–	–	–
Year ended 31 March 2024			
Revenue	3,857	262	4,119
Profit before tax	16,769	1,719	18,488
Income tax expense	–	–	–
Profit and total comprehensive income for the year	16,769	1,719	18,488
The Target Group's share of investments' tax	–	–	–
The Target Group's share of investments' profit for the year	3,337	831	4,168
The Target Group's share of investments' other comprehensive income for the year	–	–	–

18. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

		At 31 March		
		2022	**2023**	**2024**
	Note	*HK$'000*	*HK$'000*	*HK$'000*
Listed equity securities		906,374	534,476	217,910
Unlisted equity investments		2,706,024	3,113,682	2,975,025
Unlisted investment funds and limited partnership		1,595,177	3,000,530	1,755,429
Unlisted debt investments		10,290	9,535	–
Unlisted economic interest		–	–	1,632,000
		5,217,865	6,658,223	6,580,364
Less: non-current assets held for sale	*24*	–	–	(344,944)
		5,217,865	6,658,223	6,235,420
Analysed as:				
– Non-current assets		4,002,039	4,600,522	4,143,757
– Current assets		1,215,826	2,057,701	2,091,663
		5,217,865	6,658,223	6,235,420

19. DEBT INVESTMENTS

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Listed debt investments	–	975,717	–
Unlisted debt investments	758,833	2,436,620	3,795,961
Less: provision for ECL	(142,740)	(44,875)	(46,472)
Total debt investments, net	616,093	3,367,462	3,749,489
Analysed as:			
– Non-current assets	–	199,865	72,097
– Current assets	616,093	3,167,597	3,677,392
	616,093	3,367,462	3,749,489

As at 31 March 2022, 2023 and 2024, Nil; HK$975,717,000; and HK$969,585,000 was pledged to secure for the Target Group's bank borrowings as detailed in note 28(b) to the Historical Financial Information.

Provision for ECL was recognised in the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Opening balance	522,447	142,740	44,875
(Credit)/charge during the years *(Note)*	(417,807)	(96,157)	2,058
Write off	(3,680)	–	–
Transfer from interest receivables	41,471	–	801
Exchange difference	309	(1,708)	(1,262)
Closing balance	142,740	44,875	46,472

Note: The reversal of provision of ECL during the year ended 31 March 2022 was mainly due to receipt of repayments in respect of certain debt investments which the Target Group has previously applied ECL. Of which, HK$243 million was related to loan of HK$403 million granted to an entity in the years ended 31 March 2019 and 2020, and HK$179 million was related to outstanding loan of HK$263 million granted to an entity in the year ended 31 March 2019 together with outstanding interest receivables of HK$41 million, that the Target Group learnt later the borrowers were experiencing financial difficulties due to potential financial loss on its own debt investments caused by the negative impact of the coronavirus pandemic. The Target Group considered that the financial difficulty of the borrowers had undermined its repayment abilities and significantly increased the credit risk.

20. ACCOUNTS AND LOANS RECEIVABLES

		At 31 March		
		2022	**2023**	**2024**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Unsecured loans	*(a)*	186,404	45,102	–
Accounts receivables	*(b)*	1,089	1,089	779
Amounts due from associates, joint ventures and related companies	*(c)*	29,154	26,789	27,056
Dividend receivables	*(d)*	46,734	41,536	61,775
		263,381	114,516	89,610

Notes:

(a)

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Unsecured loans to third parties	196,295	47,344	–
Less: provision for ECL	(9,891)	(2,242)	–
	186,404	45,102	–

The interest rate of the loans is 8.00% p.a..

During the years ended 31 March 2022, 2023 and 2024, reversal of provision for ECL of RMB7,438,000; RMB6,073,000; and Nil, equivalent to HK$9,155,000; HK$6,909,000; and Nil, was recognised in profit or loss.

The unsecured loan was disposed along with the disposal of WK Metalight Holdings Limited during the year ended 31 March 2024 as detailed in note 34 to the Historical Financial Information.

(b) The Target Group does not hold any collateral or other credit enhancements over the accounts receivables from co-investment partners. The ageing analysis of accounts receivables, based on invoice date of accounts receivables, and net of allowance, is as follows:

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Unbilled	1,089	1,089	779

(c) Amounts due from associates, joint ventures and related companies mainly arise from advance money provided for potential investment projects and administrative expenses paid by the Target Group on behalf of its associates, joint ventures and related companies. The amounts are unsecured, interest-free and repayable on demand.

(d) Dividend receivables represents dividend declared by CSOP.

21. PREPAID CONSIDERATION

In September 2021, the Target Company, through its wholly owned subsidiary, entered into a subscription agreement (the "**Hengjiameilian Subscription Agreement**") with 上海恒嘉美聯發展有限公司 ("**Hengjiameilian**"). The total investment in this project is HK$600,000,000, equivalent to RMB472,035,000. After completion of the Hengjiameilian Subscription Agreement, the Target Group would hold 19.9% of the enlarged shareholding of Hengjiameilian.

As at 31 March 2023, the prepaid consideration has been fully capitalised as investments at fair value through profit or loss, representing 14.9% of the enlarged shareholding of Hengjiameilian.

22. AMOUNTS DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

23. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

As at 31 March 2022, certain bank deposits were pledged to secure for the Target Group's bank borrowings as detailed in note 28 to the Historical Financial Information.

As at 31 March 2022, 2023 and 2024, the bank and cash balances of the Target Group denominated in RMB amounted to HK$41,990,000; HK$97,402,000; and HK$9,757,000 respectively. Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

24. NON-CURRENT ASSETS HELD FOR SALE

Pursuant to a letter of intent dated 29 March 2024, the Target Group will dispose certain investments at fair value through profit or loss by means of disposal of its indirect wholly-owned subsidiary, 深圳華茂嘉德實業有限公司. The fair value of the investments at fair value through profit or loss as at 31 March 2024 was RMB320,000,000 (equivalent to HK$344,944,000). As at 31 March 2024, the disposal was not yet completed. The assets, which are expected to be sold within twelve months, have been classified as non-current assets held for sale and are presented separately in the consolidated statement of financial position.

25. ACCOUNTS PAYABLES

The ageing analysis of accounts payables, based on the recognition date of accounts payables, is as follows:

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Over 1 year	57	50	50

26. OTHER PAYABLES

	At 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Interest payables *(Note)*	9,236	34,898	54,243
Others	9,944	5,028	6,562
	19,180	39,926	60,805

Note: As at 31 March 2022, 2023 and 2024, interest payables of HK$1,445,000; HK$7,199,000; and HK$7,199,000 respectively is arisen from unsecured interest bearing other borrowing with principal amount of HK$1,400,000,000 borrowed from a company incorporated in BVI which is ultimately controlled by Dr. LIU Zhiwei, the executive director of the Target Company. The borrowing was settled during the year ended 31 March 2023.

27. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

		At 31 March		
		2022	**2023**	**2024**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Current liabilities				
– Payable to investment partners	*(a)*	2,879	2,225	1,400
Non-current liabilities				
– Staff participation interest payable	*(b)*	1,676	1,667	1,542

Notes:

(a) Pursuant to the financial participation arrangement signed in May 2018 with investment partners, the Target Group received US$1,950,000, equivalent to HK$15,267,000, from those investment partners and in return, shared a portion of the Target Group's future realised trading result of one of the equity investments on a back-to-back basis.

During the years ended 31 March 2022, 2023 and 2024, unrealised gain of HK$1,986,000; HK$654,000; and HK$606,000 respectively, representing the investment partners' share of unrealised loss of the project, was recognised in profit or loss as the payable to investment partners' interests were decreased.

(b) As an incentive program to align risk and performance of the Target Group's investments with interests of the employees, the Target Group set up staff participation plan. At the inception of a qualified investment, the Target Group will allocate not more than 10% of its own interest in that investment for staff participation. Pursuant to terms of the staff participation plan, the eligible employees will subscribe for the interest of the investment at the same price as the Target Group's investment cost and share potential profit or loss in proportion to its participation upon the Target Group's exit of such investment. The classification of current liabilities and non-current liabilities was determined based on the classification of the underlying investments.

During the years ended 31 March 2022, 2023 and 2024, unrealised gain of HK$25,000; unrealised loss of HK$43,000; and unrealised gain of HK$86,000, representing the staff participation's share of unrealised loss; unrealised gain; and unrealised loss of the qualified investments, was recognised in profit or loss as the payable to staff participation interests were decreased; increased; and decreased respectively.

28. BORROWINGS

		At 31 March		
		2022	**2023**	**2024**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Securities margin trading borrowing	*(a) and (d)*	200,150	90,768	–
Secured borrowings from banks	*(b)*	97,500	648,731	885,000
Unsecured other borrowings				
– Interest bearing	*(c)*	1,471,871	470,889	532,414
– Non-interest bearing	*(d)*	75,448	70,005	–
		1,844,969	1,280,393	1,417,414
On demand or within one year		1,844,969	1,280,393	1,417,414
Less: Amount due for settlement within 12 months (shown under current liabilities)		(1,844,969)	(1,280,393)	(1,417,414)
Amount due for settlement after 12 months		–	–	–

Notes:

(a) Secured by certain listed securities of the Target Group.

(b) Secured by certain interests in an associate, investments at fair value through profit or loss, debt investment and pledged bank deposits of the Target Group.

(c) As at 31 March 2022, unsecured interest bearing other borrowing of HK$1,400,000,000 was borrowed from a company incorporated in BVI which is ultimately controlled by Dr. LIU Zhiwei, the executive director of the Target Company, interest bearing at 2.50% p.a.. Such borrowing was capitalised as share capital on 30 May 2022.

(d) The amounts was settled and disposed along with the disposal of WK Metalight Holdings Limited during the year ended 31 March 2024 as detailed in note 34 to the Historical Financial Information.

The average effective interest rate of borrowings as at 31 March 2022, 2023 and 2024 were 7.86%; 7.63% and 6.55% respectively.

29. LEASE LIABILITIES

	Lease payments			Present value of lease payments		
	At 31 March			At 31 March		
	2022	**2023**	**2024**	**2022**	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	24,333	7,699	6,358	23,605	7,056	5,861
Over one year but within two years	4,592	4,878	3,879	4,384	4,630	3,752
Over two years but within five years	1,552	1,719	180	1,541	1,685	179
	30,477	14,296	10,417			
Less: Future finance charges	(947)	(925)	(625)			
Present value of lease liabilities	29,530	13,371	9,792	29,530	13,371	9,792
Less: Amount due for settlement within 12 months (shown under current liabilities)				(23,605)	(7,056)	(5,861)
Amount due for settlement after 12 months (shown under non-current liabilities)				5,925	6,315	3,931

The average effective borrowing rate as at 31 March 2022, 2023 and 2024 were 4.82%; 5.70%; and 6.96% p.a. respectively. Interest rates are fixed at the contract dates and thus expose the Target Group to fair value interest rate risk.

30. DEFERRED TAX

The following are the major deferred tax liabilities recognised by the Target Group:

	Unrealised fair value change on investments and related liabilities
	HK$'000
At 1 April 2021	(4,113)
Credit to profit or loss	4,113
At 31 March 2022, 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	–

As at 31 March 2022, 2023 and 2024, the Target Group did not recognise deferred tax assets of HK$96,926,000, HK$99,793,000; and HK$116,327,000 in respect of estimated tax losses amounting to HK$586,090,000; HK$602,958,000; and HK$705,013,000 respectively that can be carried forward against future taxable income. No deferred tax asset has been recognised due to the unpredictability of future profit streams. These estimated tax losses will be carried forward indefinitely.

31. SHARE CAPITAL

	Notes	**Number of shares**	**Amount**
		'000	*HK$'000*
Issued and fully paid ordinary shares:			
At 1 April 2021		2,900,940	290,094
Issue of shares	*(a)*	580,188	58,019
Issue of shares	*(b)*	580,188	58,019
At 31 March 2022 and 1 April 2022		4,061,316	406,132
Issue of shares	*(c)*	3,152,174	315,217
Issue of shares	*(d)*	812,263	81,226
Issue of shares	*(e)*	1,605,151	160,515
Issue of shares	*(f)*	889,421	88,942
At 31 March 2023, 1 April 2023 and 31 March 2024		10,520,325	1,052,032

Notes:

(a) On 3 September 2021, the Target Company issued 580,188,000 ordinary new shares at a subscription price of HK$0.66 per share for a total cash consideration of HK$382,924,000.

(b) On 25 November 2021, the Target Company issued 580,188,000 ordinary new shares at a subscription price of HK$0.62 per share for a total cash consideration of HK$359,717,000.

(c) On 30 May 2022, the Target Company issued 1,521,739,130 ordinary new shares at an issue price of HK$0.92 per share. The aggregate consideration was settled by way of set off against unsecured interest bearing other borrowing with principal amount of HK$1,400,000,000 borrowed from a company incorporated in BVI which is ultimately controlled by Dr. LIU Zhiwei, the executive director of the Target Company, interest bearing at 2.50% p.a..

On the same date, the Target Company issued 1,630,434,783 ordinary new shares at a subscription price of HK$0.92 per share for a total cash consideration of HK$1,500,000,000.

(d) On 19 July 2022, the Target Company issued 812,263,200 ordinary new shares at a subscription price of HK$0.50 per share for a total cash consideration of HK$406,131,000.

(e) On 27 September 2022, the Target Company issued 1,605,150,622 ordinary new shares at a subscription price of HK$0.50 per share for a total cash consideration of HK$802,575,000.

(f) On 20 March 2023, the Target Company issued 889,420,770 ordinary new shares at a subscription price of HK$0.39 per share for a total cash consideration of HK$346,874,000.

Capital management

The Target Group's primary objectives when managing capital are to safeguard the Target Group'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 Directors regard total equity as capital, for capital management purposes.

The Target Group manages its capital structure and makes adjustments to it, in light of change in economic conditions. To maintain or adjust the capital structure, the Target Group may adjust the dividend payment to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the Relevant Periods.

Under the terms of the major borrowing facilities, the Target Group is required to comply with certain financial covenants, such as consolidated tangible net worth, ratio of consolidated net borrowing to consolidated tangible net worth, ratio of total liability to total asset, etc. The Target Group has complied with these covenants throughout the year by closely monitoring the Target Group's financial position and regularly re-visit the covenant requirements during operations to ensure full compliance.

32. RESERVES

(a) The Target Group

The amounts of the Target Group's reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of profit or loss and other comprehensive income and the consolidated statements of changes in equity.

(b) The Target Company

	Share premium	Share-based payment reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2021	4,674,804	46,880	(1,135,394)	3,586,290
Total comprehensive income for the year	–	–	646,703	646,703
Issue of shares	626,603	–	–	626,603
Share-based payments	–	828	–	828
Forfeiture of share options	–	(32,739)	32,739	–
At 31 March 2022 and 1 April 2022	5,301,407	14,969	(455,952)	4,860,424
Total comprehensive income for the year	–	–	102,793	102,793
Issue of shares	3,809,680	–	–	3,809,680
Forfeiture of share options	–	(14,969)	14,969	–
At 31 March 2023 and 1 April 2023	9,111,087	–	(338,190)	8,772,897
Total comprehensive expense for the year	–	–	(57,443)	(57,443)
At 31 March 2024	9,111,087	–	(395,633)	8,715,454

(c) Nature and purpose of reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Target Company are distributable to the shareholders of the Target Company provided that immediately following the date on which the dividend is proposed to be distributed, the Target Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees and other eligible participants of the Target Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4 to the Historical Financial Information.

(iii) Surplus reserve

According to the PRC Company Law, the PRC subsidiaries/associates of the Target Group (excluding foreign investment enterprises) are required to transfer 10% of their profit after taxation, as determined under the PRC Accounting Regulations, to the statutory surplus reserve until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

(iv) Exchange reserve

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies in note 4 to the Historical Financial Information.

33. SHARE-BASED PAYMENTS

Under the Share Option Scheme adopted on 17 May 2016, the Board may at any time following the date of adoption and before the tenth anniversary thereof, offer to grant to certain selected classes of participants (including, among others, directors, employees and consultants) of the Target Company, an option to subscribe for shares as incentives or rewards for their contribution to the Target Company. The subscription price will be determined by the Board (subject to adjustment), and will not be less than the highest of (a) the closing price of the shares of the Target Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average closing price of the shares of the Target Company as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of grant; and (c) the nominal value of the shares of the Target Company. A nominal consideration of HK$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this scheme and any other share option schemes adopted by the Target Company may not exceed 10% of the share capital of the Target Company in issue.

An option may be accepted by a participant within 21 days from the date of the offer for grant of the option. An option may be exercised in accordance with the terms of the share option scheme at any time not later than 10 years from the date on which the offer for grant of the option is made. Subject to the terms of the share options determined by the Board, the participant may have to meet certain vesting conditions before becoming unconditionally entitled to the share options. For the share options that existed during the Relevant Periods, vesting conditions includes performance conditions such as complete or successful exit of specified investment projects and market conditions such as the Target Company's market capitalisation. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Movement of the Target Company's share options during the Relevant Periods:

	Number of share options
	'000
Date of grant of share options: 20 May 2016	
At 1 April 2021	46,700
Expired during the year	(46,700)
At 31 March 2022, 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	–
Date of grant of share options: 1 February 2018	
At 1 April 2021	19,000
Lapsed during the year	(3,000)
At 31 March 2022 and 1 April 2022	16,000
Expired during the year	(16,000)
At 31 March 2023, 1 April 2023 and 31 March 2024	–

The closing prices of the ordinary shares of the Target Company immediately before grant of share options were HK$1.45 and HK$2.57 on 20 May 2016 and 1 February 2018 respectively.

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Details of the share options granted on 20 May 2016 was as follows:

Fair value at grant date:	HK$32,822,000
Exercise price:	HK$1.65
Risk free interest rate:	1.079%
Expected volatility:	62.58%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	4.58%

Details of the share options granted on 1 February 2018 was as follows:

Fair value at grant date:	HK$20,539,000
Exercise price:	HK$2.60
Risk free interest rate:	1.828%
Expected volatility:	43.30%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	0.93%

The measurement dates of the share options were 20 May 2016 and 1 February 2018, being the dates of grant of the share options. Where the grantees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest or lapse.

Options forfeited, if any, before the expiry of the options will be treated as lapsed options which will be added back to the number of ordinary shares available to be issued under the Share Option Scheme.

The expected volatility of the underlying security of the options was determined based on the historical volatility of the share prices of the Target Company, as extracted from Bloomberg and Reuters.

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Disposal of WK Venture Success Limited

On 28 July 2023, the Board has approved the disposal of WK Venture Success Limited to an independent third party purchaser for a consideration of HK$40,000,000. The disposal of WK Venture Success Limited was completed on 28 July 2023.

Net assets at the date of disposal were as follows:

	HK$'000
Investments at fair value through profit or loss	9,521
Net assets disposed of	9,521
Gain on disposal of a subsidiary	30,479
Total consideration	40,000
Satisfied by:	
Cash	15,000
Cash (included in other receivables)	25,000
Total cash consideration	40,000
Net cash inflow arising on disposal:	
Cash consideration received	15,000

(b) Disposal of WK Metalight Holdings Limited

On 4 August 2023, the Board has approved the disposal of WK Metalight Holdings Limited through WK Intellect Limited, a wholly-owned subsidiary of the Target Company, to an independent third party purchaser for a consideration of HK$1,500,000. The disposal of WK Metalight Holdings Limited was completed on 4 August 2023.

Net liabilities at the date of disposal were as follows:

	HK$'000
Investment in an associate	66,219
Investments at fair value through profit or loss	397,305
Accounts and loans receivables	42,804
Interest receivables	2,542
Other receivables	66
Bank balances	249
Other payables	(4,275)
Borrowings	(559,188)
Net liabilities disposed of	(54,278)
Release of foreign currency translation reserve	31,939
Gain on disposal of subsidiaries	23,839
Total consideration – satisfied by cash	1,500
Net cash inflow arising on disposal:	
Cash consideration received	1,500
Cash and cash equivalents disposed of	(249)
	1,251

(c) Disposal of Silver Path Ventures Limited

On 27 September 2023, the Board has approved the disposal of Silver Path Ventures Limited through WK Strata Holdings Limited, a wholly-owned subsidiary of the Target Company, to an independent third party purchaser for a total consideration of HK$839,000,000. The disposal of Silver Path Ventures Limited was completed on 29 September 2023.

Net assets at the date of disposal were as follows:

	HK$'000
Investments at fair value through profit or loss	778,999
Bank balances	1
Net assets disposed of	779,000
Gain on disposal of a subsidiary	60,000
Total consideration – satisfied by investments at fair value through profit or loss	839,000
Net cash outflow arising on disposal:	
Cash and cash equivalents disposed of	(1)

(d) Disposal of Prestige Power Global Limited

On 27 September 2023, the Board has approved the disposal of Prestige Power Global Limited through WK Strata Holdings Limited, a wholly-owned subsidiary of the Target Company, to an independent third party purchaser for a total consideration of HK$865,863,000. The disposal of Prestige Power Global Limited was completed on 29 September 2023.

Net assets at the date of disposal were as follows:

	HK$'000
Investments at fair value through profit or loss	895,871
Bank balances	2
Net assets disposed of	895,873
Loss on disposal of a subsidiary	(30,010)
Total consideration – satisfied by investments at fair value through profit or loss	865,863
Net cash outflow arising on disposal:	
Cash and cash equivalents disposed of	(2)

(e) Disposal of Profit Raider Investments Limited

On 30 September 2022, the Board has approved the disposal of 100% issued share capital of Profit Raider Investments Limited held by the Target Company to an independent third party purchaser for a consideration of HK$1,600,000.

Net assets at the date of disposal were as follow:

	HK$'000
Investments at fair value through profit or loss	3,140
Net assets disposed of	3,140
Loss on disposal of a subsidiary	(1,540)
Total consideration – satisfied by cash	1,600
Net cash inflow arising on disposal:	
Cash consideration received	1,600

(f) Major non-cash transaction

During the year ended 31 March 2023, unsecured interest bearing other borrowing with principal amount of HK$1,400,000,000 borrowed from a company incorporated in BVI which is ultimately controlled by Dr. LIU Zhiwei, the executive director of the Target Company, was settled by way of set off against aggregate consideration for the allotment and issue of 1,521,739,130 ordinary new shares on 30 May 2022.

(g) Changes in liabilities arising from financing activities

The following table shows the Target Group's changes in liabilities arising from financing activities during the Relevant Periods:

	Interest payables	Borrowings	Lease liabilities	Total liabilities from financing activities
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2021	8,935	528,603	49,548	587,086
Changes in cash flows	(24,145)	1,402,948	(33,387)	1,345,416
Non-cash changes				
– Interest charged	32,432	–	2,131	34,563
– Addition	–	–	11,296	11,296
– Transfer	(49)	49	–	–
– Settlement	(8,397)	(100,000)	–	(108,397)
– Exchange difference	460	13,369	(58)	13,771
At 31 March 2022 and 1 April 2022	9,236	1,844,969	29,530	1,883,735
Changes in cash flows	(46,879)	856,440	(25,300)	784,261
Non-cash changes				
– Interest charged	74,146	–	885	75,031
– Addition	–	–	8,256	8,256
– Transfer	(1,579)	1,579	–	–
– Settlement	–	(1,400,000)	–	(1,400,000)
– Exchange difference	(26)	(22,595)	–	(22,621)
At 31 March 2023 and 1 April 2023	34,898	1,280,393	13,371	1,328,662
Changes in cash flows	(62,800)	714,649	(9,274)	642,575
Non-cash changes				
– Interest charged	85,401	–	965	86,366
– Addition	–	–	4,730	4,730
– Disposal of subsidiaries	(3,048)	(559,188)	–	(562,236)
– Exchange difference	(208)	(18,440)	–	(18,648)
At 31 March 2024	54,243	1,417,414	9,792	1,481,449

35. CONTINGENT LIABILITIES

As at 31 March 2022, 2023 and 2024, the Target Group did not have any significant contingent liabilities.

36. CAPITAL COMMITMENTS

The Target Group's capital commitments as at 31 March 2022, 2023 and 2024 are as follows:

		At 31 March		
		2022	2023	2024
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Capital contribution to 東英騰華	*(a)*	110,772	102,780	97,016
Capital contribution to OP Fine Billion L.P.	*(b)*	5,000	5,000	5,000
Capital contribution to 昆侖投資基金	*(c)*	2,400	2,400	–
Capital contribution to 東創智能	*(d)*	3,692	3,426	3,234
Capital contribution to Hengjiamelian	*(e)*	150,221	150,000	150,000
Capital contribution to 北京泰合萬峰投資管理有限公司 ("**泰合萬峰**")	*(f)*	24,616	–	–
Capital contribution to 青島萬峰時代領航股權投資中心("**時代領航基金**")	*(g)*	–	82,224	77,612
		296,701	345,830	332,862

Notes:

(a) According to "Investment agreement" of 東英騰華, the Target Group has committed to a capital contribution of RMB90,000,000 to 東英騰華. The capital will be drawn down on as-needed basis.

(b) According to the "Exempted Limited Partnership Agreement" signed between OPFI GP(2) Limited, as the general partner, and the limited partner on 24 November 2015, the Target Group has committed to a capital contribution of HK$5,000,000. The capital will be drawn down on as-needed basis.

(c) According to "Shareholders' Agreement" and "Supplementary to Shareholders' Agreement" signed by the Target Company and Great Wonderful Limited, the Target Group committed to a capital contribution of HK$3,000,000 to 昆侖投資基金. As at 31 March 2022 and 2023, HK$600,000 was paid. As at 31 March 2024, 昆侖投資基金 was liquidated and commitment was lapsed.

(d) According to "shareholders' resolution" of 東創智能, the Target Company has committed to a capital contribution of RMB3,000,000 to 東創智能. The capital will be drawn down on as-needed basis.

(e) According to a subscription agreement signed between the Target Company, through its wholly owned subsidiary, and Hengjiameilian in September 2021, the Target Group has committed to a capital contribution of HK$600,000,000, equivalent to RMB472,035,000. HK$449,779,000; HK$450,000,000; and HK$450,000,000 has been paid as at 31 March 2022, 2023 and 2024 respectively. The capital will be drawn down on as-needed basis.

(f) According to Capital Increment Agreement of 泰合萬峰, the Target Group has committed to a capital contribution of RMB84,000,000. As at 31 March 2022, RMB64,000,000, equivalent to HK$78,771,000, has been paid. As at 31 March 2023 and 2024, the amount has been fully paid.

(g) According to Partnership Agreement of 時代領航基金, the Target Group has committed to a capital contribution of RMB780,000,000. Nil; RMB708,000,000; and RMB708,000,000, equivalent to Nil; HK$808,536,000; and HK$763,189,000, has been paid as at 31 March 2022, 2023 and 2024 respectively.

37. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in notes to the Historical Financial Information, the Target Group had the following transactions and balances with its related parties during the Relevant Periods:

			Year ended 31 March		
Name of related party	**Nature of transaction**	*Notes*	**2022**	**2023**	**2024**
			HK$'000	*HK$'000*	*HK$'000*
Bestone Capital Limited ("**BCL**")	Investment management fee	*(a)*	(668)	(280)	–
Fortune Asset Management Limited ("**FAML**")	Investment management fee	*(b)*	–	(643)	(915)
富強資管(深圳)股權投資基金管理有限公司 ("**富強資管**")	Office rental income	*(c)*	–	–	523

			At 31 March		
Name of related party	**Nature of balance**	*Notes*	**2022**	**2023**	**2024**
			HK$'000	*HK$'000*	*HK$'000*
BCL	Investment management fee payable	*(a)*	247	527	527
FAML	Investment management fee payable	*(b)*	–	643	–
Rich Fortune Allied Limited ("**RFAL**")	Office rent, building management fee and government rates payables	*(d)*	391	391	391

Notes:

(a) BCL is a related party to the Target Group as Dr. LIU Zhiwei, the executive director of the Target Company, is an ultimate beneficial shareholder of BCL.

(b) FAML was a related party to the Target Group as Dr. LIU Zhiwei, the executive director of the Target Company, was the director of the holding company of FAML. Dr. LIU Zhiwei was resigned as the director of the holding company of FAML during the year ended 31 March 2024.

(c) 富強資管 is a related party to the Target Group as Dr. LIU Zhiwei, the executive director of the Target Company, is a beneficial shareholder of 富強資管.

(d) RFAL is a related party to the Target Group as Dr. LIU Zhiwei, the executive director of the Target Company, is a common director and ultimate beneficial shareholder of RFAL.

Compensation of key management personnel

The key management personnel compensation during the Relevant Periods is as follows:

	Year ended 31 March		
	2022	**2023**	**2024**
	HK$'000	*HK$'000*	*HK$'000*
Directors' emoluments	1,368	1,502	1,920

38. SUBSEQUENT CONSOLIDATED FINANCIAL STATEMENTS

No audited consolidated financial statements have been prepared by the Target Group in respect of any period subsequent to 31 March 2024.

Set out below is the management discussion and analysis of the Group for each of the three years ended 31 March 2022, 2023 and 2024, as extracted from the relevant sections in the annual reports of the Company for three years ended 31 March 2022, 2023 and 2024 respectively. Such extracted information were prepared prior to the date of this circular and represents the opinions and beliefs made by the then Directors at such time when the relevant reports were issued.

FOR THE YEAR ENDED 31 MARCH 2022

Business Overview – General

In 2021, impacted by various internal and external factors such as intensified global geopolitical conflicts, tightening liquidity, the resurgence of the COVID-19 pandemic, and the slowdown in China's economic growth, the Hong Kong's capital market has experienced a challenging year. In the civil year of 2021, regarding the secondary equity market, due to direct factors such as more frequent Sino-US frictions and increased policy risks, the confidence of investor has been severely impacted, resulting a significant decline of approximately 14% in the Hang Seng Index. The Hang Seng Tech Index even led the global stock indexes in terms of decline, closing down about 33% for the year. In the primary market of Hong Kong stocks, there were only 95 new IPOs on the main board, down about 30% from 136 in the previous year. However, the Group foresees that there are still a number of large-scale stocks with Chinese concept planning to be listed in Hong Kong as its secondary listing place in the year. In addition, the implementation of the SPAC system has also added new energy to the market, and the confidence of the market is gradually being restored.

The substantial changes in the capital market environment have put pressure on the income stream of financial institutions. The Group's investment banking business has entered a reserve period after a stellar performance in 2020, with a number of quality projects in progress in hand. In the 2021/22 fiscal year, the Group completed two underwriting projects of medium and large IPOs of New Hope Service and Dongguan Rural Commercial Bank, and successfully promoted the issuance of US dollar bonds of Shimao Group. In addition to the sponsor and underwriting business, the Group's investment and capital management business are also a breakthrough. In the previous year, the Group participated in the Series B financing of a star project, namely Genuine Biotech (真實生物), and launched one of the first onshore limited partnership funds (LPFs) in the Hong Kong market. Relying on the cross-border asset management license of the Group's Shenzhen subsidiary, the Group also successfully launched the first QFLP fund (categorized as FOF) in Shenzhen, the first batch of QFLP funds in the Hainan market and few QDIE contractual funds in the Shenzhen market, which has successfully promoted the popularity of cross-border asset management business in the market. The Company also focused on the construction of financial technology infrastructure, completed the overall upgrade of the securities trading APP, provided customers with more professional and comprehensive technical support through technology empowerment, and improved the service capabilities for securities trading and margin customers.

Business Overview – Segments

Securities Brokerage and Margin Financing

The business of securities brokerage and margin financing is one of the main revenue streams of the Group. For the year ended 31 March 2022 (the "2022 Reporting Year"), the business of securities brokerage and margin financing recorded a revenue of approximately HK$37,222,000, representing a decrease of approximately 27.04% as compared to the revenue of approximately HK$51,014,000 for the corresponding period in 2021. No net investment gain was recorded for the year ended 31 March 2022 (2021: approximately HK$5,702,000). The segment loss for the year ended 31 March 2022 amounted to approximately HK$476,000 (2021: segment profit approximately HK$11,635,000), representing a decrease in profit of approximately 104.09% as compared with the corresponding period in 2021. The Group's strategy is to focus and strengthen existing securities operation and work in close collaboration with the Group's corporate finance business as well as wealth management business, in order to provide a one-stop integrated financial services to better serve the Group's institutional and high net worth individual clients.

Corporate Financing

The corporate finance market was under a keen competition during the 2022 Reporting Year. Segment revenue from corporate finance business decreased by approximately 82.09% from approximately HK$38,207,000 to approximately HK$6,844,000 while the segment loss for the year ended 31 March 2022 amounted to approximately HK$11,652,000 (2021: segment profit approximately HK$319,000).

Money Lending

During the 2022 Reporting Year, the money lending market was under intensive competition locally. The Group recorded an interest income from money lending of approximately HK$8,348,000 (2021: approximately HK$31,354,000), representing a decrease of approximately 73.38% as compared with the corresponding period in 2021.

Consultancy and Insurance Brokerage

During the 2022 Reporting Year, the Group recorded a segment revenue from consultancy services and insurance brokerage services of approximately HK$1,242,000 (2021: approximately HK$1,487,000), representing a reduction of approximately 16.48% as compared with the corresponding period in 2021.

Asset Management

During the 2022 Reporting Year, the Group recorded a segment revenue and net investment loss from asset management of approximately HK$1,774,000 (2021: segment revenue and net investment gains approximately HK$23,153,000), representing a decrease in segment revenue of approximately 92.34% as compared with the corresponding period in 2021. The increase in segment loss was mainly attributable to a net investment loss from investment in financial assets and reduction of financial assets investment during the 2022 Reporting Year.

Financial Review

Revenue

As at 31 March 2022, the Group's total revenue amounted to approximately HK$58,487,000, representing a year-on-year decrease of approximately 56%, with the loss before tax of approximately HK$79,534,000. The loss was mainly due to the rapid deterioration of the market environment, which resulted in a decrease in the Group's revenue.

Loss before Tax and Loss attributable to equity holders of the Company

For the 2022 Reporting Year, revenue and net investment losses of the Group amounted to approximately HK$55,336,000 representing a decrease of approximately 63.27% from approximately HK$150,670,000 for the year ended 31 March 2021.

The decrease was mainly attributable to a certain decrease in the revenue of each segment of the Group and a net investment loss from investment in financial assets. The Group recorded a loss of approximately HK$79,309,000 for the year ended 31 March 2022, as compared with the loss of approximately HK$13,495,000 for the corresponding period in 2021. Net loss attributable to owners of the Company amounted to approximately HK$79,309,000 for the 2022 Reporting Year, representing a increase of approximately 487.69% comparing with the loss of approximately HK$13,495,000 for the corresponding period in 2021.

The overall performance of net loss attributable to owners of the Company was increased in the year ended 31 March 2022 mainly due to (i) a decrease in revenue; (ii) a net investment losses from investment in financial assets; (iii) expected credit losses on loan and trade receivable; and (iv) impairment loss. The basic and diluted loss per share of the Company for the 2022 Reporting Year was approximately HK8.66 cents as compared with the basic and diluted loss per share of approximately HK1.47 cents for the corresponding period in 2021.

(Losses)/earnings per share

The basic and diluted loss per share of the Company for the 2022 Reporting Year was approximately HK8.66 cents as compared with the basic and diluted loss per share of approximately HK1.47 cents for the corresponding period in 2021.

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted (losses)/earnings per share adjusts the figures used in the determination of basic (losses)/earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The calculation of diluted loss per share for the year ended 31 March 2022 does not assume the exercise of the Company's outstanding convertible bonds which had anti-dilutive effect and would result in a reduction in loss per share. Therefore, the diluted loss per share is the same as the basic loss per share for the year.

Dividend

The Directors do not recommend the payment of final dividend for the year 31 March 2022.

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Shareholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes convertible bonds, corporate bonds, lease liabilities, loans, cash and cash equivalents and equity attributable to owners of the Company, which comprises issued share capital and reserves.

The Directors review the capital structure regularly. As part of the review, the Directors consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to adjust the Group's capital structure. The overall strategy of the Group remains unchanged during the years ended 31 March 2022 and 2021. For certain subsidiaries of the Group, they are regulated by the SFC and are required to comply with certain minimum capital requirements according to the rules of SFC. The Group's management monitors, on a daily basis, the subsidiaries' liquid capital level to ensure they meet with the minimum liquid capital requirement in accordance with the Hong Kong Securities and Futures (Financial Resources) Rules. The range of liquid capital is from HK$100,000 to HK$3,000,000 or 5% of their total adjusted liabilities, whichever is higher.

One of the subsidiaries of the Group is a licensed insurance intermediary under the Insurance Ordinance and is required to maintain a minimum net asset value of HK$100,000 at all times. There is no non-compliance of the capital requirements of the Group members imposed by the respective regulators during the year ended 31 March 2022.

Liquidity, financial resources and gearing ratio

During the 2022 Reporting Year, the Group mainly financed its operations by cash generated from operating activities and loans.

As at 31 March 2022, the Group's current assets and current liabilities were approximately HK$492,586,000 (2021: approximately HK$787,720,000) and approximately HK$321,401,000 (2021: approximately HK$567,605,000) respectively, while the current ratio was about 1.53 times (2021: 1.39 times).

As at 31 March 2022, the Group's aggregate cash and cash equivalents amounted to approximately HK$190,418,000 (2021: approximately HK$263,850,000), of which approximately 57.09% was denominated in Hong Kong dollars ("**HK$**") (2021: approximately 73.29%), approximately 39.90% was denominated in United States dollars ("**USD**") (2021: approximately 24.57%), and approximately 3.01% was denominated in Renminbi ("**RMB**") (2021: approximately 2.14%), representing approximately 38.66% (2021: approximately 33.50%) of total current assets. As at 31 March 2022, the Group had bank loans with accrued interest in approximately HK$100,458,000 (2021: approximately HK$161,318,000).

During the 2022 Reporting Year, no financial instruments were used for hedging purposes. As at 31 March 2022, the gearing ratio, measured on the basis of total borrowings as a percentage of equity attributable to owners of the Company, was approximately 70.85% (2021: approximately 102.71%). The decrease in ratio was mainly due to the decrease in bank loan payables and corporate bonds during the 2022 Reporting Year. The debt ratio, defined as total debts over total assets, was approximately 59.01% (2021: approximately 66.06%).

During the year ended 31 March 2021, the Group has issued 1-year corporate bond with face value of HK$10,000,000 to an independent third party, which will be matured in December 2021 and carry fixed interest rate at 6% per annum with interest payable on the maturity date of the corporate bond (both dates exclusive). The abovementioned corporate bond has been early redeemed on 9 April 2021.

Significant Investment

As at 31 March 2022, the Group held financial assets and financial liabilities at fair value through profit or loss of approximately HK$5,391,000 and approximately HK$nil respectively (2021: approximately HK$101,230,000 and approximately HK$420,000 respectively), with net loss on these financial instruments at approximately HK$3,151,000 (2021: net gain of approximately HK$18,952,000).

As at 31 March 2022, save and except for one investment in Starlight Financial Holdings Limited as contemplated in the sub-paragraph headed "**Investment in Associates**" below, which constituted approximately 17.37% of the total assets of the Group as at 31 March 2022, none of each individual underlying investment of the above mentioned investments constitutes 5% or above of the total assets of the Group.

Investment in Associates

The Company has a significant investment in Starlight Financial Holdings Limited ("**Starlight**"), an associate of the Company. Starlight and its subsidiaries (collectively, the "**Starlight Group**") are principally engaged in the provision of loan financing and advisory services in Hong Kong and Mainland China. In particular, the Starlight Group is able to operate business relating to small and micro enterprise loans and personal consumption loans in Chongqing.

On 22 August 2012, Gold Kingdom Holdings Limited, a wholly-owned subsidiary of the Company, acquired 25% equity interests in Starlight at a consideration of approximately HK$64,131,000. The fair value of the investment as at 31 March 2022 was HK$105,046,000, representing approximately 17.37% of the Company's total assets as at 31 March 2022.

– *Future Prospects on Investment in Starlight*

The economies of Hong Kong and Mainland China have been severely impacted by the COVID-19 pandemic over the past year, with continued anti-epidemic restrictions and policies contributing to their slow recoveries. The loan financing and advisory services provided by the Starlight Group have also been affected by the COVID-19 pandemic. However, based on performance figures of the Starlight Group for the year ended 31 March 2022, the revenue and profit of the Starlight Group have improved compared to that of the year ended 31 March 2021.

Looking ahead, variants of COVID-19 and uncertain prospects continue to pose a risk to business of the Starlight Group. Nevertheless, the management of the Starlight Group expects to mitigate related impacts in order to bring returns to the shareholders of the Starlight Group by continuing to operate the business with focus and prudence.

The Company's investment in the Starlight Group represents a passive and low to mid risk level investment for the Company. As at the date of this annual report, the Company has no plans to alter the level of its investment in the Starlight Group.

Investment Products

The Company had and would continue to seek opportunities to make proper use of idle funds within the Group and, where appropriate, facilities from bank(s) or other financial institution, to invest on medium or low risk investment products, including but not limited to stocks, bonds, derivatives and structural products.

– *Note Issued by Ease Trade Global Limited*

Reference is made to the announcement dated 18 March 2020 with regards to an acquisition of notes. On 18 March 2020, Marvel Champion Investment Limited, a direct wholly-owned subsidiary of the Company, acquired notes issued by Ease Trade Global Limited in the principal amount of USD10,000,000 (equivalent to approximately HK$78,000,000) at a total consideration of approximately USD9,820,000 (equivalent to approximately HK$76,596,000). Ease Trade Global Limited has carried on no business other than entering into arrangements for the issue of the notes and lending of the net proceeds thereof. Ease Trade Global Limited is a direct, wholly-owned subsidiary of Poly Property Group Co., Limited (stock code: 0119.HK, guarantor of the notes), which in turn is a subsidiary of China Poly Group Corporation Limited (Keepwell Provider of the notes, a central state-owned enterprise under the supervision of State-owned Assets Supervision and Administration Commission of the State Council). The fair value of the investment as at 31 March 2021 was USD10,027,000 (approximately HK$77,670,000, representing about 8.13% of the Group's total assets as at 31 March 2021). The interest rate of the bonds is 5.20% per annum. The bonds matured on 10 April 2021. During the 2022 Reporting Year, an amount of USD14,000 (approximately HK$112,000) was recognised as interest income from the investment.

Material Acquisition and Disposal

There was no material acquisition or disposal of the Group during the 2022 Reporting Year.

Contingent Liabilities and Charge on the Group's assets

As at 31 March 2022, the Group had no material contingent liabilities (as at 31 March 2021: nil). As at 31 March 2022, the debt securities of approximately HK$nil and the entire share of a wholly-owned subsidiary of the Company, Marvel Champion Investment Limited, have been charged as the secured assets for the banking facilities (as at 31 March 2021: the debt securities of approximately HK$77,670,000 and the entire share of a wholly-owned subsidiary of the Company, Marvel Champion Investment Limited).

Risk Management

The Group has properly put in place credit management policies which cover the examination of the approval of client's trading and credit limits, regular review of facilities granted, monitoring of credit exposures and the follow up of credit risks associated with overdue debts. The policies are reviewed and updated regularly.

Future Plans for Material Investments or Capital Assets and their Expected Sources of Funding

As at 31 March 2022, there were no plans for material investments or capital assets, but the Group may, at any point, be negotiating potential investments. As the Company considers that making investments as part of the Group's ordinary and usual course of business, management is minded to and may publicly announce these plans as they become necessarily disclosable to Shareholders during the course of the financial year in accordance with the Listing Rules.

Foreign Currency Fluctuation

During the 2022 Reporting Year, the Group mainly used Hong Kong dollars in its business transactions. The Board considers that the Group's foreign currency exposure is insignificant.

Human Resources

As at 31 March 2022, the Group had 69 employees in total (2021:81 employees). The related employees' costs for the 2022 Reporting Year (excluding Directors' remunerations) amounted to approximately HK$43,987,000 (2021: approximately HK$74,094,000). The Group remunerated employees based on the industry practice and individual's performance. Staff benefits include contributions to retirement benefit scheme, medical allowance and other fringe benefits. In addition, the Group maintains the share option scheme for the purpose of providing incentives and rewards to eligible participants based on their contributions.

FOR THE YEAR ENDED 31 MARCH 2023

Business Overview – General

2022 was a very challenging year in terms of both international geopolitics and global business environment.

The ongoing Russia-Ukraine conflict has intensified global geopolitical risks, with tensions causing energy and raw material prices to soar and inflation to rise in Europe and the US. As inflation continued and the US Federal Reserve accelerated the pace of interest rate hikes, high interest rates led to a downturn in global financial markets, declines in major stock markets and a slowdown in global economy. The past year has been very tough and challenging for the Hong Kong capital market due to the impacts of the macro environment and the COVID-19 pandemic. The Hang Seng Index even hit its lowest level in nearly 13 years, falling more than 15% for the year, and the average daily turnover of the Hong Kong securities market fell by more than 25% year-on-year. Hong Kong's initial public offering market was also affected, with a total of 90 new listings in 2022, raising a total of HK$104.6 billion, a significant drop of 68% in capital raised from the previous year.

Despite the challenges during the year, there were a number of encouraging developments towards the end of 2022, such as the gradual reopening of borders between Hong Kong and the Mainland and the gradual resumption of normal flows of people, goods and money, which would accelerate the overall economic recovery.

As science and technology constitute a primary productive force, improving the systems for scientific and technological innovation and accelerating the implementation of the innovation driven development strategy are key initiatives for enhancing core competitiveness. As an international financial centre and financial technology (fintech) hub, Hong Kong has made itself the most desirable centre for fintech development in the world by optimising the infrastructure and regime of its fintech services sector. Furthermore, as part of the Hong Kong government's vigorous effort to support technological innovation, the Securities and Futures Commission has recently introduced a new licensing regime for virtual asset service providers, providing an important opportunity for traditional financial service institutions to shift towards financial technology. The Company has resolved to leverage the system flexibility, seize the opportunities arising from the fintech innovation in China and Hong Kong, and forge ahead with reforms and innovation by introducing strategic investors and reorganising and optimising its management team. Also, the Company officially changed its name to "GoFintech Innovation Limited 國富創新有限公司" in the year, so as to reflect its commitment to fintech innovation. Based in Hong Kong, the Company is committed to becoming an ideal integrated financial service partner for corporate and individual investors and an innovation-driven one-stop platform offering premium integrated financial services. The Company will, while further developing its cross-border financial services, expand fintech innovation business by tapping into the needs of customers and market segments to enrich its business lines and thus enhance its capability to provide comprehensive financial services.

The Company will look for more strategic investments to further expand its capital base, and enhance its credit rating in the capital market and its standing in the industry so as to attract outstanding talents for expanding its technological innovation business, keep creating value for the Company's shareholders, customers and partners, and have its shares included in the Shenzhen-Hong Kong Stock Connect programme as early as possible. Moreover, increasing capital through issuing new shares can also help the Company to avoid missing any major opportunity due to the size of its capital base, and thus is an essential step for the Company to achieve its subsequent strategic objectives.

Business Overview – Segments

Securities Brokerage and Margin Financing

The business of securities brokerage and margin financing is one of the main revenue streams of the Group. For the year ended 31 March 2023 (the "**2023 Reporting Year**"), the business of securities brokerage and margin financing recorded a revenue of approximately HK$7,309,000, representing a decrease of approximately 80.36% as compared to the revenue of approximately HK$37,222,000 for the corresponding period in 2022. The net investment gains for the year ended 31 March 2023 amounted to approximately HK$22,000 (2022: Nil). The segment loss for the year ended 31 March 2023 amounted to approximately HK$12,428,000 (2022: approximately HK$476,000), representing an increase in loss of approximately 2,510.92% as compared with the corresponding period in 2022. The Group's strategy is to focus and strengthen existing securities operation and work in close collaboration with the Group's corporate finance business as well as wealth management business, in order to provide a one-stop integrated financial services to better serve the Group's institutional and high net worth individual clients.

Corporate Financing

The corporate finance market was under a keen competition during the 2023 Reporting Year. Segment revenue (excluded intersegment income) from corporate finance business decreased by approximately 20.46% from approximately HK$6,844,000 to approximately HK$5,444,000 while the segment profit for the year ended 31 March 2023 amounted to approximately HK$14,446,000 (2022: segment loss approximately HK$11,652,000).

Money Lending

During the 2023 Reporting Year, the money lending market was under intensive competition locally. The Group recorded an interest income from money lending of approximately HK$2,788,000 (2022: approximately HK$8,348,000), representing a decrease of approximately 66.60% as compared with the corresponding period in 2022.

Consultancy and Insurance Brokerage

During the 2023 Reporting Year, the Group recorded a segment revenue from consultancy services and insurance brokerage services of approximately HK$813,000 (2022: approximately HK$1,242,000), representing a reduction of approximately 34.54% as compared with the corresponding period in 2022.

Asset Management

During the 2023 Reporting Year, the Group recorded a segment revenue and net investment loss from asset management of approximately HK$10,885,000 (2022: approximately HK$4,583,000), representing an increase in segment revenue of approximately 137.51% as compared with the corresponding period in 2022. The increase in segment revenue was mainly attributable to increase in management fee income generated during the 2023 Reporting Year.

Equity Investment

During the 2023 Reporting Year, the Group recorded a segment revenue and net investment loss from equity investment of approximately HK$4,500,000 (2022: approximately HK$2,809,000), representing an increase in segment loss of approximately 60.20% as compared with the corresponding period in 2022.

Financial Review

Revenue

For the 2023 Reporting Year, revenue and net investment losses of the Group amounted to approximately HK$22,313,000 representing a decrease of approximately 59.68% from approximately HK$55,336,000 for the year ended 31 March 2022. The decrease was mainly attributable to decrease in income generated from securities brokerage business as reduction in underwriting business and money lending business due to reduction in loan portfolio.

Loss before Tax and Loss attributable to equity holders of the Company

For the 2023 Reporting Year, revenue and net investment losses of the Group amounted to approximately HK$55,336,000 representing a decrease of approximately 63.27% from approximately HK$150,670,000 for the year ended 31 March 2021.

The basic and diluted loss per share of the Company for the 2023 Reporting Year was approximately HK5.58 cents as compared with the basic and diluted loss per share of approximately HK8.66 cents for the corresponding period in 2022.

The Group recorded a loss of approximately HK$58,855,000 for the year ended 31 March 2023, as compared with the loss of approximately HK$79,309,000 for the corresponding period in 2022. Net loss attributable to owners of the Company amounted to approximately HK$58,855,000 for the 2023 Reporting Year, representing a decrease of approximately 25.79% comparing with the loss of approximately HK$79,309,000 for the corresponding period in 2022. The overall performance of net loss attributable to owners of the Company was decreased in the year ended 31 March 2023 mainly due to (i) a decrease in operating expenses due to property and equipment being fully impaired as at 31 March 2022; and (ii) a decrease in finance costs due to repayment of bank loan and corporate bonds upon maturity.

(Losses)/earnings per share

The basic and diluted loss per share of the Company for the 2023 Reporting Year was approximately HK5.58 cents as compared with the basic and diluted loss per share of approximately HK8.66 cents for the corresponding period in 2022.

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted (losses)/earnings per share adjusts the figures used in the determination of basic (losses)/earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The calculation of diluted loss per share for the year ended 31 March 2023 does not assume the exercise of the Company's outstanding convertible bonds which had anti-dilutive effect and would result in a reduction in loss per share. Therefore, the diluted loss per share is the same as the basic loss per share for the year.

Dividend

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

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Shareholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes corporate bonds, lease liabilities, loans, cash and cash equivalents and equity attributable to owners of the Company, which comprises issued share capital and reserves.

The Directors review the capital structure regularly. As part of the review, the Directors consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to adjust the Group's capital structure. The overall strategy of the Group remains unchanged during the years ended 31 March 2023 and 2022.

For certain subsidiaries of the Group, they are regulated by the SFC and are required to comply with certain minimum capital requirements according to the rules of SFC. The Group's management monitors, on a daily basis, the subsidiaries' liquid capital level to ensure they meet with the minimum liquid capital requirement in accordance with the Hong Kong Securities and Futures (Financial Resources) Rules. The range of liquid capital is from HK$100,000 to HK$3,000,000 or 5% of their total adjusted liabilities, whichever is higher.

One of the subsidiaries of the Group is a licensed insurance intermediary under the Insurance Ordinance and is required to maintain a minimum net asset value of HK$300,000 at all times.

There is no non-compliance of the capital requirements of the Group members imposed by the respective regulators during the years ended 31 March 2023 and 2022.

Liquidity, financial resources and gearing ratio

During the 2023 Reporting Year, the Group mainly financed its operations by cash generated from operating activities and proceeds from fund raising activities.

As at 31 March 2023, the Group's current assets and current liabilities were approximately HK$369,299,000 (2022: approximately HK$492,586,000) and approximately HK$177,169,000 (2022: approximately HK$321,401,000) respectively, while the current ratio was about 2.08 times (2022: 1.53 times).

As at 31 March 2023, the Group's aggregate cash and cash equivalents amounted to approximately HK$111,748,000 (2022: approximately HK$190,418,000), of which approximately 82.50% was denominated in Hong Kong dollars ("HK$") (2022: approximately 57.09%), approximately 11.88% was denominated in United States dollars ("USD") (2022: approximately 39.90%), approximately 5.50% was denominated in Renminbi ("RMB") (2022: approximately 3.01%), and approximately 0.12% was denominated in SGD (2022: nil), representing approximately 30.26% (2022: approximately 38.66%) of total current assets. As at 31 March 2023, the Group had no bank borrowing (2022: bank loans with accrued interest in approximately HK$100,458,000).

During the 2023 Reporting Year, no financial instruments were used for hedging purposes. As at 31 March 2023, the gearing ratio, measured on the basis of total borrowings as a percentage of equity attributable to owners of the Company, was approximately 12.40% (2022: approximately 70.85%). The decrease in ratio was mainly due to repayment of corporate bonds and bank loan. The debt ratio, defined as total debts over total assets, was approximately 37.69% (2022: approximately 59.01%).

During the year ended 31 March 2022 and 2023, no additional corporate bond was issued.

Significant Investment

As at 31 March 2023, the Group held financial assets at fair value through profit or loss of approximately HK$71,491,000 (2022: approximately HK$5,391,000), with net loss on these financial instruments at approximately HK$4,630,000 (2022: approximately HK$3,151,000).

As at 31 March 2023, save and except for one investment in Starlight Financial Holdings Limited as contemplated in the sub-paragraph headed "**Investment in Associates**" below, which constituted approximately 20.94% of the total assets of the Group as at 31 March 2023, none of each individual underlying investment of the above mentioned investments constitutes 5% or above of the total assets of the Group.

Investment in Associates

The Company has a significant investment in Starlight Financial Holdings Limited ("**Starlight**"), an associate of the Company. Starlight and its subsidiaries (collectively, the "**Starlight Group**") are principally engaged in the provision of loan financing and advisory services in Hong Kong and Mainland China. In particular, the Starlight Group is able to operate business relating to small and micro enterprise loans and personal consumption loans in Chongqing.

On 22 August 2012, Gold Kingdom Holdings Limited, a wholly-owned subsidiary of the Company, acquired 25% equity interests in Starlight at a consideration of approximately HK$64,131,000. The fair value of the investment as at 31 March 2023 was HK$99,647,000, representing approximately 20.94% of the Company's total assets as at 31 March 2023.

– *Future Prospects on Investment in Starlight*

Over the past year, global financial markets have been sluggish due to a combination of geopolitical tensions and high interest rates. The economies of Hong Kong and Mainland China continued to be negatively impacted by the COVID-19 pandemic, with a notable slowdown. The loan financing and advisory services of the Starlight Group have also been affected.

Looking ahead, with the reopening of borders between Hong Kong and Mainland China, the business environment and market demand are gradually recovering and the economic activities in general are steadily getting back on track. The management of the Starlight Group expects to seize the opportunities and bring returns to the shareholders of the Starlight Group by continuing to operate the existing business with focus and prudence.

The Company's investment in the Starlight Group represents a passive and low to mid risk level investment for the Company. As at the date of this report the Company has no plans to alter the level of its investment in the Starlight Group.

Material Acquisition and Disposal

There was no material acquisition or disposal of the Group during the 2023 Reporting Year.

Contingent Liabilities and Charge on the Group's assets

As at 31 March 2023, the Group had no material contingent liabilities (as at 31 March 2022: nil). As at 31 March 2023, no asset of the Group was subject to any charge (as at 31 March 2022: Nil).

Risk Management

The Group has properly put in place credit management policies which cover the examination of the approval of client's trading and credit limits, regular review of facilities granted, monitoring of credit exposures and the follow up of credit risks associated with overdue debts. The policies are reviewed and updated regularly.

Future Plans for Material Investments or Capital Assets and their Expected Sources of Funding

As at 31 March 2023, there were no plans for material investments or capital assets, but the Group may, at any point, be negotiating potential investments. As the Company considers that making investments as part of the Group's ordinary and usual course of business, management is minded to and may publicly announce these plans as they become necessarily disclosable to Shareholders during the course of the financial year in accordance with the Listing Rules.

Foreign Currency Fluctuation

During the 2023 Reporting Year, the Group mainly used Hong Kong dollars in its business transactions. The Board considers that the Group's foreign currency exposure is insignificant.

Human Resources

As at 31 March 2023, the Group had 55 employees in total (2022: 69 employees). The related employees' costs for the 2023 Reporting Year (excluding Directors' remunerations) amounted to approximately HK$36,115,000 (2022: approximately HK$43,987,000). The Group remunerated employees based on the industry practice and individual's performance. Staff benefits include contributions to retirement benefit scheme, medical allowance and other fringe benefits. In addition, the Group maintains the share option scheme for the purpose of providing incentives and rewards to eligible participants based on their contributions.

Change of Company Names

On 13 September 2022, the Board proposed to change the name of the Company from "China Fortune Financial Group Limited 中國富強金融集團有限公司" to "GoFintech Innovation Limited 國富創新有限公司" (the "**Change of Company Name**"). The Board considered that the Change of Company Name will better reflect the Group's direction of future development and provide the Company with enhanced corporate image and clearer identity. The Change of Company Name was approved by the shareholders at the extraordinary general meeting held by the Company on 14 October 2022. For details, please refer to the announcements of the Company dated 13 September 2022 and 14 October 2022 and the circular dated 20 September 2022 relating to the proposed Change of Company Name.

FOR THE YEAR ENDED 31 MARCH 2024

Business Overview – General

For the year ended 31 March 2024 (the "**2024 Reporting Year**"), the Group worked together to actively respond to the grim market environment and the complicated changes in the industry and strived to achieve new breakthroughs and results in the Group's pursuit of sustainable and high-quality development. As a result, all the Group's business segments advanced steadily, with the Group's middle-and back-office support systems further improved and team cohesion and creativity further enhanced, thereby further consolidating the foundation for the long-term development of the Group's businesses.

During the past year, the Group continued to make steady progress in fully-licensed financial services, with sustained focus on product improvement and service enhancement. The Group's business processes is innovated and the Group's business models are optimised, and achieved a sustained and steady increase in revenue. During the 2024 Reporting Year, the Group's business deployment is further advanced in the field of Web 3.0 by investing heavily in the research and development of technologies in this field and exploring scenario applications in the fintech industry, and commenced out investing and planning activities in relation to cryptocurrencies and compliant virtual asset funds, with an aim to lay a solid foundation for the Group's in-depth development in the field of Web 3.0 and overall transformation under the Web 3.0 strategy.

In the field of brokerage services, the Group were committed to expanding the Group's diversified customer groups, including domestic and overseas institutions, enterprises and high net worth clients. The Group continued to develop towards wealth management, diversify the Group's products and differentiate the Group's services, comprehensively enhance customer service capabilities, improve the Group's fundamental trading capabilities and build the Group's investment advisory capabilities.

In the field of asset management, the Group leveraged the Group's in-depth insight into the opportunities in the capital market, enhanced the Group's business development capabilities in the volatile market by continuously enhancing the Group's capabilities in asset management, sales and services, product offering, compliance and risk control, so as to optimise asset allocation and improve asset returns.

In the field of investment banking, the Group maintained parallel development of equity and debt investment businesses, and continued to vigorously expand the Group's M&A and restructuring businesses, sponsor business and underwriting services. During the 2024 Reporting Year, the Group provided over 20 corporate customers with investment, financing and other consultancy services. As an underwriter, the Group successfully assisted a variety of domestic and overseas companies in fundraising in the stock market and introduced high-quality investors for enterprises. The Group ranked among the top in the industry in terms of the number of projects and the amount of funds raised.

In the field of technological innovation investment, the Group leveraged on the Group's synergy in "investment + investment banking + management" and constantly improved the Group's investment capability and knowledge in Web 3.0, quantum technology, blockchain, intelligent investment advisory, clean energy, tech-innovative healthcare, etc. With a focus on such areas, the Group carried out in-depth business planning, completed investments in various technology innovation enterprises such as MaiCapital, empowering the invested enterprises by providing all-round support in finance, management and human resources, and at the same time, strengthening synergy with investment banking and other business lines to assist the invested companies in development and capital appreciation.

The Group is fully aware of the importance of science and technology innovation to the Group's future development. Improving the Group's technological innovation system and accelerating the implementation of the innovation-driven development strategy are crucial to strengthen the core competitiveness of the Group. As an international financial centre and fintech hub, Hong Kong, with its continuously optimised fintech service hardware and software, is the most ideal fintech development centre globally, and the Hong Kong government is also a strong supporter of technological innovation.

In April 2024, Hong Kong Exchanges and Clearing Limited (HKEX) welcomed the listing of Asia's first spot virtual asset ETFs, and took the lead globally to approve the listing of the first Ether spot ETF, enriching investment opportunities in respect of the product diversity and vitality of new-type assets in Hong Kong. The digital economy brought about by the Web 3.0 era is the most promising investment track in the future. The Company will keep up with the times and seize the opportunities, prioritizing the planning and development of business relating to technological innovation, identifying more quality projects and exploring new drivers for the Group's business development.

Looking ahead, the Company will continue to focus on the core business of sustainable growth, deeply explore and manage customer needs, focus on improving customer value, practise technology-driven financial innovation, improve the comprehensive service level and capabilities of the Group's financial business, and advance the Group's fully-licensed financial business into a new stage of high-quality development. Meanwhile, the Group will also continue to focus on technological innovation, accelerate the conversion of new and existing development drivers, implement strategic adjustments, and focus on core directions of business development. The Group will actively embrace the opportunities brought by innovative technologies such as Web 3.0 and quantum computing, continue to explore technology scenario applications in emerging fields and seize investment opportunities in emerging fields.

Business Overview – Segments

Securities Brokerage and Margin Financing

The business of securities brokerage and margin financing is one of the main revenue streams of the Group. During the 2024 Reporting Year, the business of securities brokerage and margin financing recorded revenue (including inter-segment revenue) and net investment losses of net amount of approximately HK$37,051,000, representing an increase of approximately 406.92% as compared to the revenue (including inter-segment revenue) and net investment gains of approximately HK$7,309,000 in total in 2023. The segment profit for the 2024 Reporting Year amounted to approximately HK$8,572,000 (2023: segment loss of approximately HK$12,428,000). The turnaround from segment loss to profit was mainly attributable to the increase of income from securities brokerage business. The Group's strategy is to focus on and strengthen existing securities operation and work in close collaboration with the corporate finance business as well as wealth management business, in order to provide one-stop integrated financial services to better serve the institutional and high net worth individual clients.

Corporate Finance

The corporate finance market was under a keen competition during the 2024 Reporting Year. Segment revenue (excluded intersegment revenue) from corporate finance business decreased by approximately 13.32% from approximately HK$5,444,000 to approximately HK$4,719,000, while the segment loss for the 2024 Reporting Year amounted to approximately HK$2,789,000 (2023: segment profit of approximately HK$14,446,000). By excluding the inter-segment revenue, the segment loss was approximately HK$8,504,000 in 2023.

Money Lending

During the 2024 Reporting Year, the money lending market was under intensive competition locally. The Group recorded an interest revenue from money lending business of approximately HK$4,542,000 (2023: approximately HK$2,788,000), representing an increase of approximately 62.91% as compared to 2023. The segment loss for the 2024 Reporting Year amounted to approximately HK$476,000 (2023: approximately HK$3,005,000).

Consultancy and Insurance Brokerage

During the 2024 Reporting Year, the Group recorded a segment revenue (including inter-segment revenue) from consultancy services and insurance brokerage services of approximately HK$611,000 (2023: approximately HK$813,000), representing a reduction of approximately 24.85% as compared to 2023. The segment loss for the 2024 Reporting Year was approximately HK$196,000 (2023: approximately HK$67,000)

Asset Management

During the 2024 Reporting Year, the Group recorded a segment revenue from asset management of approximately HK$4,784,000 (2023: approximately HK$10,885,000), representing a decrease of approximately 56.05% as compared to 2023. The decrease in segment revenue was mainly attributable to decrease in management fee income generated during the 2024 Reporting Year. The segment loss for the 2024 Reporting Year was approximately HK$1,262,000 (2023: approximately HK$91,000).

Equity Investment

During the 2024 Reporting Year, the Group recorded a segment revenue and net investment loss from equity investment of net amount of approximately HK$3,453,000 (2023: approximately HK$4,500,000). The segment loss for the 2024 Reporting Year amounted to approximately HK$7,244,000 (2023: approximately HK$5,149,000).

Financial Review

Overall Performance

The Group achieved encouraging operating and financial results during the 2024 Reporting Year with strong revenue growth and significant improvement in profits and losses. The Group's business models of client-centered fully-licensed financial services demonstrated strong financial resilience.

During the 2024 Reporting Year, the net amount of total revenue and net losses on investments at fair value through profit or loss increased by 106.05% year-on-year to HK$45.98 million. In particular, the Group's securities business maintained strong growth momentum with the net amount of revenue and net losses on investments at fair value through profit or loss surging 406.92% year-on-year to HK$37.05 million. On the other hand, the Group have consistently focused on cost reduction and efficiency enhancement, improving operational efficiency and profitability. Despite prioritising the Group's investment in the research and development of innovative financial technology, the Group were able to significantly narrow the Group's net losses by 47.87% to HK$30.68 million compared to the same period last year.

The Group has been committed to optimising its balance sheet structure, enhancing capital adequacy and improving asset quality. At the end of the 2024 Reporting Year, the Group's total assets reached HK$1,092 million, representing an increase of 129.57% as compared to the end of the previous reporting year. Current assets accounted for 79.12%, reflecting the Group's abundant liquidity and healthy asset structure. As at the end of the 2024 Reporting Year, the Group's total liabilities amounted to HK$305 million, in which the interest-bearing liabilities amounted to HK$24 million, while the debt ratio, defined as total liabilities over total assets, reduced from 37.69% as at the end of the previous reporting year to 27.96% as at the end of the 2024 Reporting Year. The total equity amounted to HK$787 million as at the end of the 2024 Reporting Year, representing an increase of 165.40% as compared to the end of the previous reporting year. As at 31 March 2024, the Group's cash and cash equivalents was HK$289 million, maintaining at a healthy and reasonable level.

Revenue

For the 2024 Reporting Year, the Group recorded revenue and net losses on investments at fair value through profit or loss in the net amount of approximately HK$45,975,000, representing an increase of approximately 106.05% from approximately HK$22,313,000 for the year ended 31 March 2023. The increase was mainly attributable to the increase in income generated from securities brokerage business as well as interest revenue from money lending business.

Loss before Tax and Loss attributable to equity holders of the Company

The Group recorded a loss of approximately HK$30,679,000 for the 2024 Reporting Year, as compared to the loss of approximately HK$58,855,000 in 2023.

The overall loss position of the Group has improved in the 2024 Reporting Year mainly due to (i) an increase in revenue generated from the licensed businesses of the Group; (ii) an increase in other income which was mainly consisted of gain on bargain purchase of an associate and interest revenue from financial institutions; (iii) a decrease in expected credit losses on loan and trade receivables; and (iv) a decrease in both staff costs and finance costs during the 2024 Reporting Year.

The basic and diluted loss per share of the Company for the 2024 Reporting Year was approximately HK0.91 cent as compared to the basic and diluted loss per share of approximately HK2.84 cents in 2023.

(Losses)/earnings per share

The basic and diluted loss per share of the Company for the 2024 Reporting Year was approximately HK0.91 cent as compared to the basic and diluted loss per share of approximately HK2.84 cents in 2023.

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted (losses)/earnings per share adjusts the figures used in the determination of basic (losses)/earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

The calculation of diluted loss per share for the year ended 31 March 2024 does not assume the exercise of the Company's outstanding convertible bonds which had anti-dilutive effect and would result in a reduction in loss per share. Therefore, the diluted loss per share is the same as the basic loss per share for the year.

Dividend

The Directors do not recommend the payment of final dividend for the year 31 March 2024.

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to Shareholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes corporate bonds, lease liabilities, cash and cash equivalents and equity attributable to owners of the Company, which comprises issued share capital and reserves.

The Directors review the capital structure regularly. As part of the review, the Directors consider the cost of capital and the risks associated with each class of capital, and take appropriate actions to adjust the Group's capital structure. The overall strategy of the Group remains unchanged during the years ended 31 March 2024 and 2023.

For certain subsidiaries of the Company, they are regulated by the SFC and are required to comply with certain minimum capital requirements according to the rules of SFC. The management monitors, on a daily basis, the subsidiaries' liquid capital level to ensure they meet with the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rules. The range of liquid capital is from HK$100,000 to HK$3,000,000 or 5% of their total adjusted liabilities, whichever is higher.

One of the subsidiaries of the Company is a licensed insurance intermediary under the Insurance Ordinance (Cap. 41 of the Laws of Hong Kong) and is required to maintain a minimum net asset value of HK$300,000 for the period from 1 April 2023 to 31 December 2023 and HK$500,000 for the period from 1 January 2024 to 31 March 2024.

There is no non-compliance of the capital requirements of the Group members imposed by the respective regulators during the years ended 31 March 2024 and 2023.

Liquidity, financial resources and gearing ratio

During the 2024 Reporting Year, the Group mainly financed its operations by cash generated from operating activities and proceeds from fund raising activities.

As at 31 March 2024, the Group's current assets and current liabilities were approximately HK$864,100,000 (as at 31 March 2023: approximately HK$369,299,000) and approximately HK$290,652,000 (as at 31 March 2023: approximately HK$177,169,000) respectively, while the current ratio was about 2.97 times (as at 31 March 2023: 2.08 times).

As at 31 March 2024, the Group's aggregate cash and cash equivalents amounted to approximately HK$289,257,000 (as at 31 March 2023: approximately HK$111,748,000), of which approximately 98.22% was denominated in Hong Kong dollars ("**HK$**") (as at 31 March 2023: approximately 82.48%), approximately 1.47% was denominated in United States dollars ("**USD**") (as at 31 March 2023: approximately 11.88%), approximately 0.27% was denominated in Renminbi ("**RMB**") (as at 31 March 2023: 5.52%), and approximately 0.04% was denominated in SGD (as at 31 March 2023: approximately 0.12%), representing 33.47% (as at 31 March 2023: approximately 30.26%) of total current assets. As at 31 March 2024, the Group had no bank borrowing (as at 31 March 2023: nil).

During the 2024 Reporting Year, no financial instruments were used for hedging purposes. As at 31 March 2024, the gearing ratio, measured on the basis of total borrowings (including lease liabilities and corporate bonds) as a percentage of equity attributable to owners of the Company, was approximately 3.05% (as at 31 March 2023: approximately 12.40%). The decrease in ratio was mainly due to repayment of corporate bonds. The debt ratio, defined as total liabilities over total assets, was approximately 27.96% (as at 31 March 2023: 37.71%).

During the year ended 31 March 2024 and 2023, no additional corporate bond was issued.

Significant Investment

As at 31 March 2024, the Group held investments at fair value through profit or loss of approximately HK$253,273,000 (as at 31 March 2023: approximately HK$71,491,000), with net losses on investments at fair value through profit or loss of approximately HK$3,481,000 (2023: approximately HK$4,630,000).

As at 31 March 2024, save and except for one investment in Starlight Financial Holdings Limited as contemplated in the sub-paragraph headed "**Investment in Associates**" below, which constituted approximately 8.64% of the total assets of the Group as at 31 March 2024, none of each individual underlying investment of the above mentioned investments constitutes 5% or above of the total assets of the Group.

Investment in Associates

The Company has a significant investment in Starlight Financial Holdings Limited ("**Starlight**"), an associate of the Company. Starlight and its subsidiaries (collectively, the "**Starlight Group**") are principally engaged in the provision of loan financing and advisory services in Hong Kong and Mainland China. In particular, the Starlight Group is able to operate business relating to small and micro enterprise loans and personal consumption loans in Chongqing.

On 22 August 2012, Gold Kingdom Holdings Limited, a wholly-owned subsidiary of the Company, acquired 25% equity interests in Starlight at a consideration of approximately HK$64,131,000. The carrying amount of the investment as at 31 March 2024 was approximately HK$94,410,000, representing approximately 8.64% of the Group's total assets as at 31 March 2024.

During the year ended 31 March 2024, the revenue and total comprehensive expense attributable to owners of Starlight Group was approximately HK$41,227,000 (for the year ended 31 March 2023: approximately HK$49,483,000) and approximately HK$20,947,000 (for the year ended 31 March 2023: approximately HK$21,597,000). No dividend was received during the 2024 Reporting Year.

The Group's investment in the Starlight Group represents a passive and low to medium risk level investment for the Group. As at the date of the annual report, the Group has no plans to alter the level of its investment in the Starlight Group.

Material Acquisition and Disposal

There was no material acquisition or disposal of the Group during the 2024 Reporting Year.

Contingent Liabilities and Charge on the Group's assets

As at 31 March 2024, the Group had no material contingent liabilities (as at 31 March 2023: nil). As at 31 March 2024, no asset of the Group was subject to any charge (as at 31 March 2023: Nil).

Risk Management

The Group has properly put in place credit management policies which cover the examination of the approval of client's trading and credit limits, regular review of facilities granted, monitoring of credit exposures and the follow up of credit risks associated with overdue debts. The policies are reviewed and updated regularly.

Future Plans for Material Investments or Capital Assets and their Expected Sources of Funding

As at 31 March 2024, there were no plans for material investments or capital assets, but the Group may, at any point, be negotiating potential investments. As the Company considers that making investments as part of the Group's ordinary and usual course of business, management is minded to and may publicly announce these plans as they become necessarily disclosable to Shareholders during the course of the financial year in accordance with the Listing Rules.

Foreign Currency Fluctuation

During the 2024 Reporting Year, the Group mainly used Hong Kong dollars in its business transactions. The Board considers that the Group's foreign currency exposure is insignificant.

Human Resources

As at 31 March 2024, the Group had 67 employees in total (2023: 55 employees). The related employees' costs for the Reporting Year (excluding Directors' remunerations) amounted to approximately HK$29,997,000 (2023: approximately HK$36,115,000). The Group remunerated employees based on the industry practice and individual's performance. Staff benefits include contributions to retirement benefit scheme, medical allowance and other fringe benefits. In addition, the Group maintains the share option scheme for the purpose of providing incentives and rewards to eligible participants based on their contributions.

In view of the listing status of the Target Company (i.e. Wealthink AI-Innovation Capital Limited), set out below is the management discussion and analysis of the Target Group for each of the three years ended 31 March 2022, 2023 and 2024, as extracted from the relevant sections in the annual reports of the Target Company for three years ended 31 March 2022, 2023 and 2024 respectively. The extracted information below were prepared prior to the date of this circular and represents the opinions and beliefs made by the then directors of the Target Company (the "Target Directors") at such time when the relevant reports were issued.

FOR THE YEAR ENDED 31 MARCH 2022

Business Overview – General

In 2021, vaccination programmes have been promoted around the world, however, the new variant of the virus continues to raged across the globe, which has brought lots of uncertainties to the recovery of the economy. The Target Group realized that this global pandemic has become a watershed year and a crossroad for 21st Century: the wave of digitalization is flooding, the industry structure is rapidly transforming, the geopolitical layout and economic situation is also changing profoundly. However, it is believed that the more complex the external environment is, the greater responsibility the investment company are committed to, the Target Company strategy should become more "dynamic and static". Dynamic means to follow the development trend of the time being and make timely adjustments; static means to adhere to the original intention, gradually seeking progress over the long term.

The Target Company was listed on the main board of the Stock Exchange of Hong Kong in 2003, and in the past 20 years, the Target Group have been a pioneer in investing overseas, experienced financial tsunami and pandemic, and is having a foothold in the Hong Kong market, which is highly competitive. In recent years, the Target Group have benefited from the advantages of developing the Greater Bay Area by the country. At the junction of the new era, the Target Company has comprehensively optimized its strategic system and established the development roadmap with the core of "strong, stable and large". In the past year, the Target Company worked together to accelerate the construction of a technology industry investment layout, enhance the risk management system, continue to expand the scale of asset management, and promote the implementation of new strategies in different aspects. The Target Company recorded a profit of HK$221.27 million for the year and total assets increased from HK$5,368 million last year to HK$7,441 million this year.

The pandemic is accelerating people's life and work to go online. The digital technology is gradually penetrating socio-economic life and the world is in the amidst of a new wave of digitalized transformation. The Target Company firmly believes in the strategic position of digital economy in the future socio-economic development, and has set digital economy as a major investment direction for the Target Company, from which we are seeking for excellent investment targets that truly mastered key technologies, with sustainable competitiveness and are able to create social value.

Financial Review

Financial Position

Net asset value: As at 31 March 2022, the Target Group's net asset value was HK$5,528.24 million, or HK$1.36 per share, as compared to HK$4,527.18 million and HK$1.56 per share respectively as at 31 March 2021.

Gearing: The gearing ratio, which was calculated on the basis of total liabilities over total equity as at 31 March 2022, was 0.35 (31 March 2021: 0.19).

Investments in associates and joint ventures: It represents the Target Group's interests in companies such as core holding company CSOP and Treasure Up etc. Assets value stood at HK$688.65 million as at 31 March 2022 (31 March 2021: HK$705.02 million), representing a year-on-year decrease of 2.32% mainly due to the fact that CSOP's business growth for the Year 2022, resulted in the payment of dividends of HK$46.73 million, which in turn a decrease in attributable revenue.

Investments at fair value through profit and loss: It stood at HK$5,217.87 million as at 31 March 2022, representing an increase of 41.88% as compared to HK$3,677.78 million as at 31 March 2021, mainly attributable to the two placing carried out during the Year 2022, the proceeds have been utilized to invest in premium projects.

Debt investments: It represents the investments in debt instruments as at 31 March 2022, which amounted to HK$616.09 million. The increase of 12.14% as compared to HK$549.37 million as at 31 March 2021 was primarily because the use of placement proceeds for debt investments.

Bank and cash balances: As at 31 March 2022, the Target Group's bank and cash balances stood at HK$86.40 million (31 March 2021: HK$66.61 million). The Target Group manages its bank and cash balances principally on the basis of making good use of capital to achieve returns for shareholders and ensuring sufficient liquidity for its working capital requirements.

Financial Results

During the Year 2022, the continuous recurrence of COVID-19 pandemic, the turbulent geopolitical situation and increasing expectations of raising interest rate exacerbated the volatility of the global capital market, and had a certain impact on the valuation of the investment portfolio as well. The Target Group recorded a total revenue of HK$93.93 million for the Year 2022, representing a year-on-year decrease of 15.01% primarily attributable to the decrease in interest income due to the maturity of certain debt investments.

The Target Group recorded profit for the Year 2022 of HK$221.27 million as compared to a profit of HK$372.56 million for last year. It is primarily due to HK$266.38 million of net change in unrealised loss on investments at fair value through profit or loss, but offset by HK$5.29 million of realised gain on some disposal/distribution of investments, HK$460.37 million of reversal of provision for ECL and HK$4.68 million of share of results of associates and joint venture.

Revenue represents the income received and receivable on investments during the Year 2022 as follows:

	Twelve months ended 31 March	
	2022	**2021**
	HK$'000	*HK$'000*
Dividend income[1]	2,654	1,065
Interest revenue[2]	91,275	109,457
	93,929	110,522

(1) Dividends received and receivable from listed securities during the Year 2022.

(2) Interest revenue was primarily generated from the Target Group's debt instruments as well as deposit in banks.

Net change in unrealised (loss)/gain on investments at fair value through profit or loss: The net change in unrealised loss of HK$266.38 million (FY2020/21: gain of HK$243.52 million), mainly represents net unrealised losses on listed shares HK$135.92 million.

Net change in unrealised gain on financial liabilities at fair value through profit or loss: The net change in unrealised gain of HK$2.01 million (FY2020/21: HK$3.02 million) mainly represents the share of unrealised loss by the Target Group's co-investment partners.

Net realised gain/(loss) on disposal/distribution of investments: The realised gain of HK$5.29 million (FY2020/21: loss of HK$118.69 million) during the Year 2022 mainly represents realised gain on the disposal of listed shares.

Reversal of provision for ECL: The reversal of provision of HK$460.37 million (FY2020/21: HK$74.71 million) for ECL mainly due to the recovery of some debts and the change in the provision rate of ECL during the Year 2022.

Operating and administrative expenses: The total amount of HK$49.48 million operating and administrative expenses (FY2020/21: HK$62.14 million) was mainly the result of the depreciation of right-of-use assets, staff costs, investment management fee, depreciation of equipment, service fee expenses as well as legal and professional fees. The year-on-year decrease in operating and administrative expenses was primarily due to the decrease in investment management fee.

Share of profits of associates and joint venture: A net profit of approximately HK$4.68 million (FY2020/21: HK$149.28 million), mainly represents the Target Group's share of results of CSOP and Treasure Up. The decrease was due to the fact that CSOP's business growth for the Year 2022, resulted in the payment of dividends of HK$46.73 million, which in turn a decrease in attributable revenue, and Treasure Up's value changed as a result of instable global economy which caused by the global outbreak of COVID-19 variants. Treasure Up also declared and paid dividends of HK$14.92 million during the Year 2022.

Other comprehensive income: Changes in the Target Group's net asset value, which are not accounted for in "profit for the Year 2022", are recorded under "other comprehensive income". The net other comprehensive income of HK$36.32 million (FY2020/21: HK$37.45 million), mainly represented the exchange differences on translating foreign operations. Including the "profit for the Year 2022", the total comprehensive income for the Year 2022 was HK$257.60 million.

Investment Overview

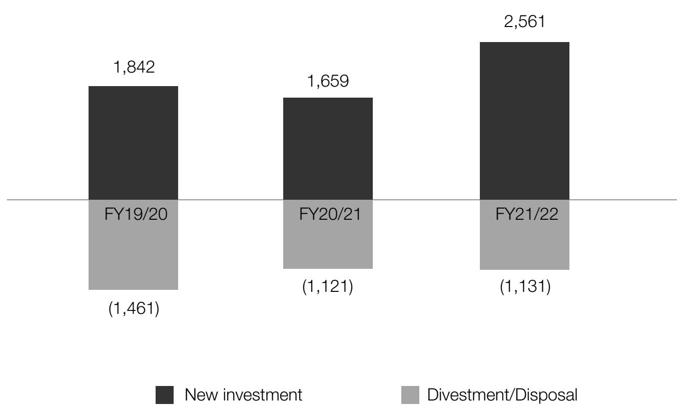
The Target Group leverages its capital strength to invest in targeted companies. The investment strategy is comprised of three pillars, namely core-holding-centered private equity, portfolio management as well as trading and others, with returns generated from interests, dividends and capital appreciation.

Investment Activities

During the twelve months ended 31 March 2022 ("**Year 2022**"), new variants continue to disrupt the progress of the recovery of global economic. Meanwhile, the ongoing geopolitical tension, inflationary pressures and a series of industry regulatory measures have greatly affected the capital market. The Target Group has sought certain industry trends amidst the challenges of a complex and volatile market environment, focusing the Target Group's investment vision on emerging technology sectors to drive the business expansion through technology layout. The Target Group continues to adhere to the tri-engine driving investment strategy, increasing the investment in portfolio management category, actively capturing the investment opportunities in the market, balancing liquidity and rate of return of the asset, to contribute medium-term returns to the Target Company.

During the Year 2022, global economic activity were still constrained by the pandemic, the Target Group exercised extra prudence on new equity investments and strove for the maximum value of the Target Group's capital and the financing capability as a public company. The Target Group's investment and divestment decisions are made based on comprehensive considerations and assessments of return, risk and opportunity cost. The Target Group invested HK$2,561.30 million during the Year 2022, mainly through private equity, debt investments, funds as well as listed securities, and the Target Group's divestment amounted to HK$1,130.53 million, mainly derived from some short-term debt instruments, listed securities and private equity investments.

New Investment and Divestment/Disposal over the latest 3 Years
(HK$ million)



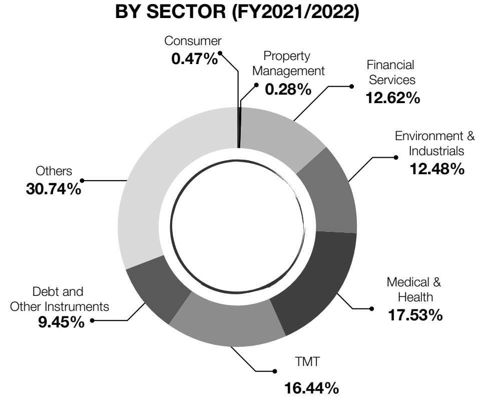
Portfolio Breakdown

To quickly adapt to the changes and seize the opportunities, in the FY2020/2021, the Target Group underwent a business transformation and strategic upgrade. During the Year 2022, the Target Group's investment strategy is comprised of three pillars, namely core-holding-centered private equity, portfolio management as well as trading and others.

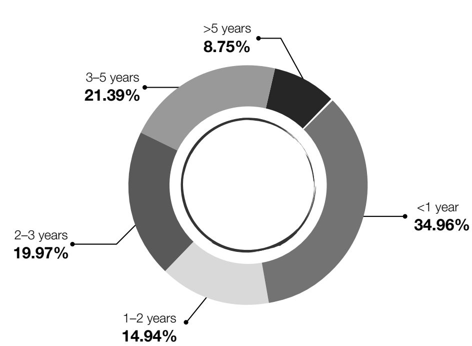
Private equity strategy aims to leverage the Target Group's capital to directly invest in and empower great companies, and long-term core holding is the Target Group's primary focus. The Target Group identify and invest in companies with high growth potential and hold them as core-holding portfolio supporting their long-term development with patient capital. Portfolio management strategy represents the Target Group's medium- to long-term investment in the secondary market, debt investment and others which are expected to contribute medium-term returns to the Target Group. The strategy of trading and others stress to balance liquidity and rate of return of the asset by capturing short-term investment opportunities and other opportunistic transactions in the secondary market in and outside China.

As of 31 March 2022, the four main sectors of the Target Group's existing portfolio were Medical and Health, Environment and Industrials, Technology, Media and Telecom ("**TMT**") and Financial Services, which represented 59.1% of the Target Group's total investments holdings. The Target Group's leading position in the Medical and Health sector in terms of valuation was the investment in iCarbonX Group Limited ("**iCarbonX**"), while in the Environment and Industrials sector, Dagang Holding Group Co., Ltd. ("**Dagang Holding**") was the largest holding. The Target Group's major investment in the TMT sector included Jiedaibao Limited ("**Jiedaibao**"). The Target Group's major investment in the Financial Services sector included CSOP Asset Management Limited ("**CSOP**") and Treasure Up Ventures Limited (Beijing International Trust Co., Ltd.).

BY SECTOR (FY2021/2022)



BY HOLDING PERIOD (FY2021/2022)



– *Private Equity*

Private equity represents equity investment in private companies through the Target Group's own capital to support its long-term development. The Target Group mainly divide private equity into two categories, namely long-term core holding and other private equity. As of 31 March 2022, The Target Group's holdings in private equity category amounted to HK$3,393.70 million.

Long-Term Core Holding

As of 31 March 2022, three companies were categorized as the Target Group's long-term core holding portfolio, namely iCarbonX, CSOP and OPIM Holdings Limited ("**OPIM**"). iCarbonX primarily focuses on digital health management, CSOP is the largest Qualified Foreign Institutional Investor ("**RQFII**") manager globally, and OPIM is Asia's leading hedge fund platform. The Target Company's holdings in the core holding companies amounted to HK$1,142.09 million as at 31 March 2022. Given the growth potential of the core holding companies, the Target Company will continue to hold them and support their development in the long run while pursuing long-term investment return correspondingly.

iCarbonX Group Limited

Date of initial investment: 2018	Type of deal: Core Holding
Equity ownership: 7.73%	Cost: HK$1,098.79 million
Carrying value: HK$1,000.55 million	Location: China
	Industry: Medical & Health

In 2018, the Target Company invested in iCarbonX as one of its core holding companies and established a joint venture with iCarbonX named iCarbonX OP Investment Limited to capture potential investment opportunities within the healthcare industry. As at 31 March 2022, the Target Group owned 7.73% of equity interests in iCarbonX and the carrying value of the position stood at HK$1,000.55 million, decreasing 12.95%, or by HK$148.83 million as compared to HK$1,149.38 million as at 31 March 2021.

iCarbonX is a global pioneer in artificial intelligence ("**AI**") and precision health management and aims to build an ecosystem of digital life based on a combination of individuals' life data, the internet and AI. Its main founding team comprises the world's top biologists with extensive experience in multi-omics technology, medical service, biological data analysis, AI and data mining.

iCarbonX established the Digital Life Alliance (the "**Alliance**") with a number of cutting-edge health-tech companies in 2016 and has been actively carrying out cross-border collaborations in order to maximize synergy and promote mutual growth within the Alliance. In March 2021, iCarbonX announced its strategic partnership with Olink Proteomics, a NASDAQ-listed company dedicated to accelerating proteomics, to jointly introduce its Olink platform to China market, which would provide quantifiable results with high-throughput, exceptional sensitivity and specificity using minimal sample volume.

In addition, iCarbonX has been deeply concerned with the outbreak of COVID-19 since January 2020 and its COVID-19 neutralizing antibody test kit has received the CE Mark certification as at the end of 2020. In Mainland, iCarbonX's newly established Shenzhen Weiban Medical Test Lab (深圳微伴醫學檢驗實驗室) has been approved by local government for conducting COVID-19 test for people who need a testing results report to travel or work.

Under the vision of continuing the construction of Digital Life ecosystem, iCarbonX has determined the strategic direction of using multi-omics and AI as the main technology platform and polypeptide chip as the core technology. ICarbonX has applied polypeptide chip in the innovation and development of polypeptide medicines, making the medicine segment as the key business, and constructing a medicine research and development platform which is driven by AI. The diagnostic segment has covered metabolic disorder, autoimmune diseases and other fields, and continues to drive the development and transformation of new in vitro diagnostic products by relying on clinical collaboration resources and platform innovation driving force. In respect of chip research and development, iCarbonX relocated its polypeptide chip research and development platform to China in September 2021, production efficiency is significantly improved.

The Target Company believes iCarbonX's expertise in life science and AI equips the Target Group with unparalleled competitive advantages, particularly in an era of post-COVID-19, when AI-enabled healthcare research & development (R&D) is given significant prominence and people's awareness of health management improves. Going forward, the Target Group will continue to take an active role in bridging opportunities between iCarbonX and industry leaders to foster its development within the healthcare industry and attain capital appreciation. The investment in iCarbonX is believed to benefit the Target Company over the long run, therefore iCarbonX is held as a long-term core holding company within the Target Company's portfolio.

CSOP Asset Management Limited

Date of initial investment: 2008	Type of deal: Core Holding
Equity ownership: 22.5%	Cost: HK$60 million
Carrying value: HK$103.74 million	Location: Hong Kong
	Industry: Financial Services

CSOP was jointly established by the Target Company and China Southern Asset Management Co., Ltd in 2008. As at 31 March 2022, the Target Company owned 22.5% of the issued capital of CSOP, of which the carrying value stood at HK$103.74 million, decreasing 0.09%, as compared to HK$103.83 million as at 31 March 2021, such change is due to the HK$46.73 million dividend distributed by CSOP, which was driven by its robust business performance during the Year 2022.

CSOP is a well-known asset management company based in Hong Kong, which manages private and public funds, and provides investment advisory services to Asian and global investors with a dedicated focus on China investing. As a leading cross-border asset management expert in respect of Asset Under Management (AUM), CSOP once held the world's largest RMB RQFII quota of RMB46.1 billion. CSOP is a leading Exchange Traded Fund ("**ETF**") provider in the Hong Kong market, among the top 10 most actively traded ETFs listed on the Hong Kong Stock Exchange ("**HKEX**"), nearly half of them are by CSOP. As at 31 December 2021, the scale of asset management of CSOP exceeded US$11 billion, representing a growth of over 11% in scale in 2021.

In the fast-changing market, CSOP never stops being innovative in capturing opportunities. During the Year 2022, CSOP have launched a series of ETF with future theme, including the first Metaverse Concept ETF in Hong Kong, Global Smart Driving Index ETF, Global Cloud Computing Technology Index ETF, etc., to satisfy the investment demand of investors for emerging markets. Thanks to its excellent product design and strong performance, CSOP has won many awards in total from various parties at both corporate and product levels during the Year 2022, including but not limited to the "Asia Fund House of the Year" and "Fund House of the Year" by AsianInvestor, which is an authoritative asset management magazine in Asia, this is also the first time that a Chinese asset manager has won "Asia Fund House of the Year 2022" since the establishment of the awards.

China has been accelerating the reforms and opening-up of its financial market in recent years and it is one of the most attractive investment destinations for international investors. CSOP will continue to bridge investment opportunities in China for overseas investors with its innovative fund products and expertise, achieving decent returns for investors and at the same time enhancing its leading position in the RQFII product management sector. The Target Company believes that CSOP will continue to bring solid returns and therefore will hold it as a long-term core holding company.

OPIM Holdings Limited

Date of initial investment: 2008	Type of deal: Core Holding
Equity ownership: 30%	Cost: HK$59.47 million
Carrying value: HK$37.8 million	Location: Hong Kong
	Industry: Financial Services

As at 31 March 2022, the Target Company owned 30% of the issued ordinary shares and 100% of the non-voting preference shares of OPIM, the position in OPIM stood at HK$37.8 million as compared to HK$56.0 million as at 31 March 2021. OPIM managed 38 funds as at the end of 2021, the scale of fund management was about US$200 million.

OPIM is a leading hedge fund platform in Asia serving both global and Asia based managers to develop funds across diversified strategies for institutional and professional investors. It has built a whole ecosystem linking up fund managers, service providers and capital allocators, which enables the managers to launch offshore funds with efficient and affordable structures. With the ecosystem, managers are able to focus on fund performance and build a proven track record for future expansion. OPIM has also built strategic partnerships in Singapore, Europe and Mainland China to continue to increase its customer base and expand the scope of its service offerings to customers.

With the increasing scale of China's private funds in the overseas market, OPIM is expected to maintain the momentum of steady growth in terms of both the number of funds and the overall asset scale. At the same time, China has been accelerating the opening-up of its financial markets, which improves foreign managers' access to the Chinese market and as a result, OPIM is expected to benefit from it. The Target Company believes that OPIM has great potential to continue to grow its business, and therefore will hold it as a long-term core holding company.

Other Private Equity

Apart from long-term core holding, the Target Company's holdings in the other Private Equity category amounted to HK$2,251.61 million as at 31 March 2022. The Target Group added new investments of HK$314.67 million and exited from an investment amounting to HK$134.56 million in total in this category during the Year 2022. In making decisions on either to maintain the holdings for future divestment to benefit from growth of business, or to exit and harvest returns for potential new investments, the Target Group based on prudent and extensive analysis of market condition and investment projects' prospect.

The major investments are listed as below:

Jiedaibao Limited

Date of initial investment: 2020
Equity ownership: 2.49%
Carrying value: HK$954.58 million

Type of deal: Private Equity
Cost: HK$900.39 million
Location: China
Industry: TMT

In 2020, the Target Company entered into a share purchase agreement (the "**Share Purchase Agreement**") with an existing shareholder (the "**Seller**") of Jiedaibao to purchase 1.97% of the shares issued by Jiedaibao at a consideration of HK$700 million. The Target Company subsequently increased its capital by

HK$200.39 million in November 2021. As at 31 March 2022, the Target Group's position in Jiedaibao stood at HK$954.58 million, representing 2.49% of the shares issued by Jiedaibao.

Founded in 2014, Jiedaibao is an internet fintech company providing services of contract signing, registration and post-loan management for borrowing and lending money between individual users and supply chain finance of corporate users, aiming to solve the financing difficulty problem for individuals as well as micro-, small and medium- sized enterprises ("**SME**"). Jiedaibao strives to be the largest service platform for individual borrowings and corporate supply chain finance in China. The mobile App 借貸寶 ("**借貸寶**"), which is operated by Jiedaibao, mainly provides registration tools for online I Owe You ("**IOU**") issuance and supplementing and relevant value-added services. Adopting AI visual technology, a sound cloud storage system and online payment system, 借貸寶 empowers online borrowing and lending transactions and micro-SME's supply chain finance. The sources of revenue are mainly coming from registration service fee, collection service fee, marketing fee, certification service fee, software development fee and loan interests, etc.

By right of the universality of its function and the business model, 借貸寶 has gained significant market share in Mainland China since its launch 6 years ago. With licenses of online payment, commercial banking and internet microloans, Jiedaibao is building a complete Fintech ecosystem. The Target Company expects the continuously growing business of Jiedaibao would generate considerable medium-term return for the Target Group.

*Treasure Up Ventures Limited (Beijing International Trust Co., Ltd., "**BITIC**")*

Date of initial investment: 2016	Type of deal: Private Equity
Equity ownership: 25%	Cost: HK$351.67 million
Carrying value: HK$394.35 million	Location: China
	Industry: Financial Services

The Target Company acquired 25% equity interest in Treasure Up Ventures Limited ("**Treasure Up**"), which in turn participates in a minority economic interest in BITIC. As at 31 March 2022, the Target Group's position in BITIC stood at HK$394.35 million as compared to HK$446.74 million as at 31 March 2021. The decrease was primarily attributable to the instability of the global market due to global outbreak of COVID-19 variants, which led to decrease the valuation of companies in the same industry. Notwithstanding, for 2021, the parent company of BITIC recorded a net profit of RMB1,100 million with a year-over-year increase of 11.55%.

BITIC is a China-based large-scale non-banking financial institution, which primarily engages in trusts, investment funds, financial services, brokerage and advisory business. The trust industry has been playing an irreplaceable role in China's economic development and financial resource allocation. In recent years, the rapid development of wealth management business driven by the accumulation of private wealth has brought the industry with historic opportunities. Quickly adapting to the changes in the market and national policy environment, BITIC formulated its twin-engine strategy in 2019, which is asset management and wealth management respectively, and has adjusted its service offering focusing on quality rather than quantity since 2018. After several years of continuous improvement and development, BITIC has established four professional sectors, which are securities investment, securities research, investment banking and securities operation, and has formed multi-strategy TOF portfolio investments, fixed-income investments, asset securitization and other securities investment product lines, creating many representative products with excellent performance.

The active management capability of BITIC ranks high in the industry, it has been awarded "Outstanding Trust Company Award", "Financial Product of the Year with Influence in Financial Market" and other honors, and has been recognized by investors and partners. The Target Company believes that with the continuous opening-up and improvement of China's financial system, and the leading position of BITIC in trust industry, BITIC is expected to deliver a decent return on investment for the Target Group.

*華建實業投資有限公司 ("**華建實業**")*

Date of initial investment: 2020
Equity ownership: 12.5%
Carrying value: HK$367.26 million

Type of deal: Private Equity
Cost: HK$370 million
Location: China
Industry: Others

The Target Company entered into agreements to acquire 100% of the equity of Wall King Industry Investment Limited, which in turn to purchase 12.5% of equity interest issued by 華建實業 with a total consideration of HK$370 million. As at 31 March 2022, the Target Group's position in 華建實業 stood at HK$367.26 million, decreasing 5.44% as compared to HK$388.38 million as at 31 March 2021 due to its operations affected by the COVID-19 variants.

華建實業 is a consolidated investment holding group with industrial investment, equity investment, investment management as its main business. With the double-engine strategy of industrial operations complemented by equity investment, investment areas of 華建實業 are mainly in the promising industries, such as high-end equipment manufacturing, culture and arts, internet and real estate, striving to become the capital operation platform with global vision and social influence in the PRC.

China's economic development has entered into a new stage where technology is a key driver and domestic consumption is playing an increasingly important role. As a result, there are plenty of opportunities in the emerging industries into which the Chinese government has been guiding the factors of production to flow through supply-side structural reform. 華建實業 primarily focuses on the emerging industries and holds a number of prime investment projects with great growth prospects, and therefore, it is expected to bring medium-term investment returns to the Target Group.

Portfolio Management

As at 31 March 2022, the Target Company's holdings in the portfolio management category amounted to approximately HK$3,107.08 million, of which, the holdings in the investment on funds amounted to HK$1,595.18 million, listed securities amounted to HK$885.44 million, debt investments amounted to HK$626.38 million, other investment amounted to HK$0.08 million. The Target Group added an investment of HK$2,215.62 million and exited from debt investments, listed securities and others amounting to HK$972.40 million in total in this category during the Year 2022. At the same time, the Target Group's portfolio of debt instruments recorded provision for expected credit losses under HKFRS 9, while some listed securities recorded market price change during the Year 2022.

The Target Group invests in debt instruments with the consideration of return, risk and liquidity. For the Year 2022, the interest rate the Target Group charged for the debt instruments, of which the borrowers were mainly investment companies, ranged from 6% to 10% as compared to 6% to 11.5% for the same period last year. The total interest income generated from debt instruments was HK$91.11 million with loan tenures ranging from 1 year to 2 years, while the corresponding amount and range for the same period last year were HK$101.38 million and 2 years to 5 years, respectively.

The Target Company maintains regular communication with debt issuers and loan borrowers. As at the end of the Year 2022, management have assessed the repayment ability of the issuers/borrowers for the determination of expected credit loss provisions.

The major investments are listed as below:

*Dagang Holding Group CO., LTD. (Stock code: 300103.SZ) (“**Dagang Holding**”)*

Date of initial investment: 2019	Type of deal: Securities
Equity ownership: 19.9%	Cost: HK$822.56 million
Carrying value: HK$739.78 million	Location: China
	Industry: Environment & Industrials

In June 2019, the Target Company via its wholly-owned subsidiary, 英奇投資(杭州)有限公司, entered into a share transfer agreement with the seller to acquire 19.9% shareholding or 63,202,590 shares of Dagang Holding, which have been registered under the name of 英奇投資(杭州)有限公司 with China Securities Depository and Clearing Corporation Limited as at 23 October 2020.

As at 31 March 2022, the Target Group’s position in Dagang Holding stood at HK$739.78 million, decreasing 11.8% as compared to HK$839.01 million same period of last year mainly due to unfavorable market conditions leading to a drop in share price. In 2021, Dagang Holding’s high-end road equipment R&D and manufacturing business and environmental protection business is affected by the factors such as pandemic, increase in raw material procurement cost, metal price volatility, resulting in a year-on-year decline in the performance of the business segment. In 2021, the total operating income of Dagang Holding decreased by 21.21% as compared with the same period in 2020.

Founded in May 2002 and being listed on the SME Board of Shenzhen Stock Exchange in August 2010, Dagang Holding has been trading under stock code of 300103.SZ. Currently, Dagang Holding has developed into a high-tech enterprise integrating the business segments of “high-end road equipment R&D and manufacturing + public facilities smart operation and maintenance + comprehensive recycling of hazardous waste and solid waste”. Its products and services are widely used in various fields such as road construction, public facility management, environmental protection, digitalization of vector control. During 2021, Dagang Holding extends vector control and rural vitalization businesses based on the foundation of the existing three sector businesses, further strengthen synergies among businesses.

The Target Company believes that benefiting from its established market leadership in the high-end road equipment sector and the growth momentum of urban road smart operation and maintenance as well as comprehensive recycling of hazardous waste and solid waste sector, and further expansion of vector control and rural vitalization sectors, Dagang Holding is expected to bring medium-term returns to the Target Group.

Ninth Eternity Asia Fund LP

Date of initial investment: 2021
Equity Ownership: 23.33%
Carrying value: HK$699.70 million

Type of deal: Fund
Cost: HK$700 million
Location: China
Industry: Others

In 2021, The Target Company entered into the Subscription Agreement with Ninth Eternity Asia Fund LP through its wholly-owned subsidiary. The scale of Ninth Eternity Asia Fund LP is HK$3 billion, it focuses on the investment opportunities in growing industries in the Greater China, and the key investment area including high growth industry such as technology, high-end manufacturing. The investment scope of the fund includes primary equity, stocks, bonds (including convertible bonds) and other equity products or fixed income products. The Target Group's position in Ninth Eternity Asia Fund LP was HK$699.70 million as at 31 March 2022.

Pursuant to the Partnership Agreement of the Fund, Ninth Eternity HK Limited is the General Partner of Ninth Eternity Asia Fund LP, it has the exclusive power and authority to manage the Partnership, as well as the discretionary authority to manage the assets and investments of the Partnership. Ninth Eternity HK Limited is established by the earliest innovative domestic and overseas investment fund managers, which has more than 10 years of experience in the investment field, and has extensive experience in multiple macroeconomic cycles, financial cycles, industrial cycles and fund management cycles and achieved excellent investment performance.

China's economy is at a critical stage of transformation and upgrading. ''The 14th Five-Year Plan'' proposed to strengthen national strategic technology power and implement manufacturing power strategy, technology and high-end manufacturing will definitely be the focus of the next development stage of the PRC. The key investment industry of Ninth Eternity Asia Fund LP covers the relevant fields under the guideline of national strategy. It is believed that the professional capability of the management team in terms of investment management, resources integration and compliance risk control, will assist the Target Group to capture the investment opportunities of technology, high-end manufacturing and other fields, which is expected to create medium-term returns to the Target Group.

Ninth Eternity Asia Fund II LP

Date of initial investment: 2021	Type of deal: Fund
Equity ownership: 26.67%	Cost: HK$800 million
Carrying value: HK$799.63 million	Location: China
	Industry: Others

In 2021, the Target Company entered into the Subscription Agreement with Ninth Eternity Asia Fund II LP through its wholly-owned subsidiary. The scale of Ninth Eternity Asia Fund II LP is HK$3 billion, it mainly invests companies with stronger competitiveness and sustainable growth ability in the Greater China. Ninth Eternity Asia Fund II LP mainly focus on investment opportunities in high-growth industries such as consumption, internet and pharmaceuticals, covering venture capital, primary equity, stocks, bonds and other products. The Target Group's position in Ninth Eternity Asia Fund II LP was HK$799.63 million as at 31 March 2022.

Fleming Capital Holdings Limited is the General Partner of Ninth Eternity Asia Fund II LP. It consists of a professional management team with international background and extensive experience in global asset management, committing to building a competitive product and service system. In the context of high-quality economic development in China, Fleming Capital Holdings Limited deeply captures the investment opportunities in the real economy and capital market in Greater China by in-depth investment research and professional investment judgement and it is expected to bring medium-term returns to the Target Group.

Trading and Others

As at 31 March 2022, the Target Company's holdings in the trading and others category amounted to HK$21.83 million. The Target Company's holdings in listed securities that fell into this category amounted to HK$20.93 million, while the holdings in the other equity investment amounted to HK$0.90 million. During the Year 2022, the Target Company made new investments in and divestments from some listed securities and an equity investment to enhance the capital liquidity and generated returns from capital gains.

Dividend Policy and Proposed Final Dividend

The Board has resolved not to pay any final dividend in respect of the Year 2022 (FY2020/21: nil).

Liquidity and financial resources

The Target Group's major sources of revenue currently are dividend income from investments held, interest revenue from bank deposits and financial instruments held.

As at 31 March 2022, the Target Group had bank and cash balances of HK$86.40 million (31 March 2021: HK$66.61 million). The Target Group had an aggregate of HK$1,844.97 million (31 March 2021: HK$528.60 million) loans primarily comprised of loan from a shareholder as at 31 March 2022. The debt-to-equity ratio (interest-bearing external borrowings divided by shareholders' equity) stood at 32.01% (31 March 2021: 10.07%) while the debt ratio (total borrowings divided by total assets) was 24.79% (31 March 2021: 9.85%). The current ratio (current assets divided by current liabilities) was 1.19 times (31 March 2021: 3.65 times).

The board of the Target Company believes that operations and borrowing resources are sufficient to provide funding to satisfy the ongoing investment and working capital requirements for the foreseeable future.

Material Acquisitions and Disposals of Investments

The Target Group's major sources of revenue currently are dividend income from investments held, interest revenue from bank deposits and financial instruments held.

	New/Additional Investment *(HK$ million)*	**Divestment/ Disposal** *(HK$ million)*
Private Equity	314.67(1)	134.56(2)
Portfolio Management		
– Listed securities	52.45(3)	18.55(4)
– Debt instruments	595.66	953.74
– Others	1,567.51(5)	0.11
Trading and others	31.01	23.57
Total	2,561.30	1,130.53

(1) HK$200.39 million is the Target Group's investment in Jiedaibao during the Year 2022. The remaining are investment In new associates and joint venture totaling HK$31.61 million, and other private equity investment totaling HK$82.67 million.

(2) HK$134.56 million represents the Target Group's sale proceeds from the disposal of Xiaoju Kuaizhi Inc. during the Year 2022.

(3) HK$52.45 million represents the Target Group's investment in 4 listed securities during the Year 2022.

(4) HK$18.55 million represents the Target Group's divestment from 4 listed securities during the Year 2022.

(5) Of the HK$1,567.51 million, HK$1.5 billion was invested in Ninth Eternity Asia Fund LP and Ninth Eternity Asia Fund II LP, the remaining HK$67.51 million represents investment in two funds.

Exposure to Fluctuations in Exchange Rates and Related Hedges

As at 31 March 2022, the Target Group was exposed to foreign exchange risk arising from financial instruments that are monetary items including investments recognized as investments at fair value through profit or loss, interest receivables, loan and other receivables, bank balances, borrowings and lease liabilities and other payables (31 March 2021: investments at fair value through profit or loss, loan and other receivables). These assets were denominated in RMB and the maximum exposure to foreign exchange risk was RMB1,178.34 million, equivalent to HK$1,450.30 million (31 March 2021: RMB499.94 million, equivalent to HK$591.50 million).

As at 31 March 2022, the Target Group held certain financial assets which were denominated in USD. The Board is of the opinion that the Target Group's exposure to USD foreign exchange risk is minimal as HKD is pegged to USD based on the Linked Exchange Rate System in Hong Kong.

Charges on the Target Group's Assets and Contingent Liabilities

As at 31 March 2022, save as certain listed securities of the Target Group being used to secure the Target Group's margin securities trading and certain interests in associates and part of bank time deposit are pledged for the Target Group's bank loan, there were no charges on the Target Group's assets.

Employees

As of 31 March 2022, the Target Group had 32 employees (31 March 2021: 21), inclusive of all Target Directors and its subsidiaries. Total staff costs including equity-settled share-based payments for the Year 2022 amounted to HK$19.31 million (FY2020/21: HK$25.74 million). The Target Group's remuneration policies are in line with market practices and are determined on the basis of the performance and experience of individual employees. During the Year 2022, the board of the Target Company did not grant any share option under the Target Company's share option scheme to any Target Directors or eligible employees of the Target Group and there were no granted share options exercised (FY2020/21: nil). As at 31 March 2022, there were 16,000,000 (31 March 2021: 65,700,000) share options that remained outstanding under the share option scheme.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THEIR EXPECTED SOURCES OF FUNDING

As at 31 March 2022, the Target Company plans to purchase certain guaranteed bonds issued by a company whose assets include shares in companies listed on major stock exchanges in the PRC. The consideration of the purchase is expected to be approximately HK$850 million and the expected sources of funding will be bank borrowings and funds from other fundraising activities such as external borrowings and placing of new shares. The Target Company considers such new potential investment as part of its normal business, and therefore management may publicly announce the plan as they become necessarily disclosable to shareholders.

Other than that, there were no plans for material investments or capital assets, but the Target Company may, at any point, be negotiating potential investments.

FOR THE YEAR ENDED 31 MARCH 2023

Business Overview – General

Over the financial year ending 31 March 2023 (the "**Year 2023**"), the Target Company have witnessed turmoil and ups and downs in the global economy. The escalation of the Russia-Ukraine conflict, the intensification of the crisis in the global supply chain, and the continued rise in inflation are all negative factors that have constrained the growth of major economies.

Faced with persistent high inflationary pressures, developed countries led by the United States collectively started a cycle of interest rate hikes, which directly led to a tightening of international capital liquidity and heightened volatility in the global financial market. Against this backdrop, China's economy has also been affected by factors such as repeated epidemics and a weakening real estate market, and is facing greater downward pressure. The production and operation of enterprises and the lives of residents have been impacted to varying extents.

Facing the complex and severe economic situation, the Target Company has always adhered to the strategic guidance centered on "Strength, Stability, and Growth", strictly controlled risks, and adopted a relatively conservative investment strategy. The Target Company has achieved a balance between risk and return by increasing bond investment, and have reaped relatively stable investment returns in a turbulent market environment. During the reporting period, the Target Group made new investments of approximately HK$4.908 billion, of which new debt investment was approximately HK$2.858 billion; total revenue was recorded at approximately HK$192.74 million, an increase of 105.20% from approximately HK$93.93 million in the same period last year; profit for the Year 2023 was approximately HK$146.38 million, compared with approximately HK$221.27 million in the same period last year.

As a cross-border investment company adhering to forward-looking and innovative investment concepts, the Target Company has been actively paying attention to and investing in cutting-edge technologies and innovations for many years. Since this year, ChatGPT, a general-purpose large language generation model, has entered the public eye in the form of a chat robot, triggering a new wave of technology. Through the use, research and market tracking of the latest AI tools, the Target Company believes that this AI technological innovation is expected to promote the improvement of production efficiency in many industries and bring unprecedented investment opportunities. In the future, the Target Company will continue to increase the layout of cloud computing, big data and other information technology industries, follow the technological trend, and actively promote the construction of AI infrastructure and industrial application portfolios, so as to lay a solid foundation for the commercial implementation and development of new generation AI technology.

On the other hand, the Target Company is also deeply aware that against the backdrop of significant uncertainties in the current global economic environment, strengthening risk management to pursue steady development is a top priority. Over the past year, the Target Company have continued to improve the internal control mechanism to ensure that the Target Company's internal control procedures and risk management framework can be effectively implemented, including internal audit processes and risk reviews. In addition, the Target Company have strengthened the Target Group's risk assessment and control framework to regularly monitor and evaluate investment portfolio risks, risk management policies and procedures to ensure that the Target Company can maintain control of investment risks in a volatile market environment.

Looking forward, the Target Company will actively respond to and grasp the new wave of technology, further strengthen the implementation of investment strategies in the field of technological innovation, and continue to expand the investment portfolio ecology of technology themes. As an investor and an entrepreneur, the Target Company will provide support to the invested companies in terms of capital and resources, truly become their entrepreneurial partners and collaborators, and promote the positive cycle of capital empowering industries and industries returning capital. At the same time, the Target Company will continue to assume due corporate social responsibilities, actively respond to national policies, deeply serve national strategies, help high-level opening up, and create more value for society and investors.

Financial Review

Financial Position

Net asset value: As at 31 March 2023, the Target Group's net asset value was HK$10,010.76 million, or HK$0.95 per share, as compared to HK$5,528.24 million and HK$1.36 per share respectively as at 31 March 2022.

Gearing: The gearing ratio, which was calculated on the basis of total liabilities over total equity as at 31 March 2023, was 0.14 (31 March 2022: 0.35).

Investments in associates and joint ventures: It represents the Target Group's interests in companies accounted for using equity method such as CSOP and Treasure Up Ventures Limited ("**Treasure Up**"), etc. Assets value stood at HK$921.86 million as at 31 March 2023, representing an increase of 33.86% as compared to HK$688.65 million as at 31 March 2022, mainly due to added investment of HK$199.00 million and CSOP continues have business growth during the Year 2023.

Investments at fair value through profit or loss: It stood at HK$6,658.22 million as at 31 March 2023, representing an increase of 27.60% as compared to HK$5,217.87 million as at 31 March 2022, mainly attributable to the proceeds of placement carried out during the Year 2023 have been utilised to invest in projects.

Debt investments: It represents the investments in debt instruments as at 31 March 2023, which amounted to HK$3,367.46 million. The increase of 5.47 times as compared to HK$616.09 million as at 31 March 2022 due to the use of placement proceeds for debt investments.

Bank and cash balances: As at 31 March 2023, the Target Group's bank and cash balances stood at HK$108.36 million (31 March 2022: HK$86.40 million). The Target Group manages its bank and cash balances principally on the basis of making good use of capital to achieve returns for shareholders and ensuring sufficient liquidity for the Target Group's working capital requirements.

Financial Results

The Target Group recorded a total revenue of HK$192.74 million during the Year 2023, representing an increase of 105.20% as compared to HK$93.93 million same period of last year. The Target Group recorded profit for the Year 2023 of HK$146.38 million as compared to HK$221.27 million for the same period last year. Current year's results comprised of HK$78.61 million of net change in unrealised loss on investments at fair value through profit or loss, but offset by HK$87.54 million of share of profits of associates and joint ventures and HK$108.97 million of reversal of provision for expected credit losses ("**ECL**").

Revenue represents the income received and receivable on investments during the Year 2023 as follows:

	Twelve months ended 31 March	
	2023	**2022**
	HK$'000	*HK$'000*
Dividend income[(1)]	1,038	2,654
Interest revenue[(2)]	191,703	91,275
	192,741	93,929

(1) Dividends received and receivable from listed securities during the Year 2023.

(2) Interest revenue was primarily generated from the Target Group's debt instruments as well as deposit in banks.

Net change in unrealised loss on investments at fair value through profit or loss: The net change in unrealised loss of HK$78.61 million (FY2021/2022: HK$266.38 million) mainly represents the net results of unlisted investment funds, private equity investments and listed securities with unrealised loss of HK$343.26 million, but offset by unrealised gain of HK$264.65 million.

Net change in unrealised gain on financial liabilities at fair value through profit or loss: The net change in unrealised gain of HK$0.61 million (FY2021/2022: HK$2.01 million) mainly represents the share of unrealised loss on co-investments by the Target Group's co-investment partners.

Net realised (loss)/gain on disposal/distribution of investments: The net realised loss of HK$8.19 million (FY2021/2022: gain of HK$5.29 million) during the Year 2023 was mainly related to the disposal of listed securities and unlisted investment funds.

Reversal of provision for ECL: The reversal of provision for ECL of HK$108.97 million for the Year 2023 (FY2021/2022: HK$460.37 million) mainly due to the fully recovery of a debt and the change in the provision rate of ECL during the Year 2023.

Operating and administrative expenses: The operating and administrative expenses totaling HK$61.94 million (FY2021/2022: HK$77.23 million) were mainly staff costs, legal and professional fees, depreciation, etc. The decrease in operating and administrative expenses was primarily driven by decrease of depreciation of right-of-use assets as a result of office relocation.

Share of profits of associates and joint ventures: A net profit of HK$87.54 million (FY2021/2022: HK$4.68 million) mainly accounted for share of results of CSOP and Treasure Up. The significant increase was due to the fact that CSOP continues have strong business growth during the Year 2023. Of which, CSOP declared a dividend of HK$41.54 million during the Year 2023.

Other comprehensive (expense)/income: Changes in the Target Group's NAV, which are not accounted for in ''profit for the Year'', are recorded under ''other comprehensive (expense)/ income''. The other comprehensive expense of HK$119.45 million (FY2021/2022: other comprehensive income of HK$36.32 million) represented the exchange differences primarily due to the depreciation of RMB. Including the ''profit for the Year'', the total comprehensive income for the Year 2023 was an income of HK$26.93 million (FY2021/2022: HK$257.60 million).

Investment Overview

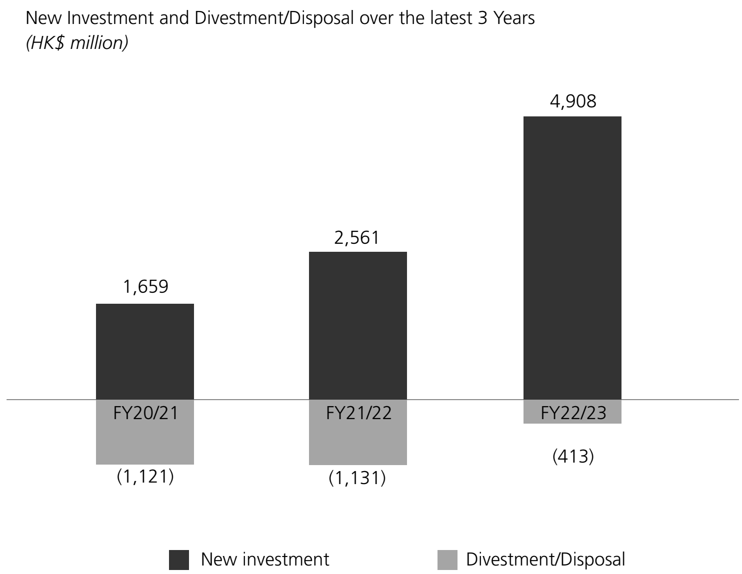
The Target Company leverages its capital strength to invest in targeted companies. The Target Group's investment strategy is comprised of three pillars, namely core-holding-centered private equity, portfolio management as well as trading and others, with returns generated from interests, dividends and capital appreciation.

Investment Activities

During the Year 2023, the conflict between Russia and Ukraine has disrupted the global supply chain while high inflation has driven the increase of interest rates by the Fed, resulting in a slowdown in the growth of major economies around the globe and large fluctuations in the international capital market.

Confronted by the challenging market environment, the Target Company has relied on its flexibility to make adjustment on its investment strategy by increasing the fixed income investment in portfolio management category and actively capturing the investment opportunities in the bond market to create more stable returns for the Target Company. In addition, under the complex and ever-changing economic situation, the Target Company are also striving to identify certain industrial trends and fix the Target Group's attention to the emerging technology fields while continuing to strengthen strategic execution in the technology field.

During the Year 2023, the Target Company exercised extra prudence on new equity investments and strove for the maximum value of the Target Group's capital and the financing capability as a public company. Investment and divestment decisions are made based on comprehensive considerations and assessments of return, risk and opportunity cost. The Target Company invested HK$4,908.13 million during the Year 2023, mainly through private equity, debt investments, funds as well as listed securities, and the Target Group's divestment amounted to HK$412.87 million, mainly derived from listed securities, funds, private equity investments and debt investments.

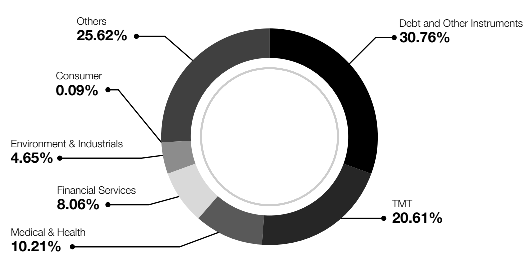


Portfolio Breakdown

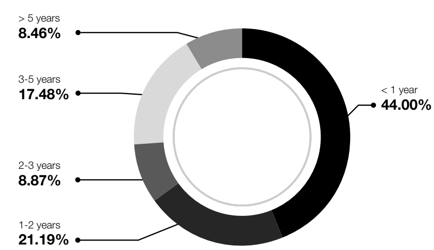
To quickly adapt to the changes and seize the opportunities, in the FY2020/2021, the Target Company underwent a business transformation and strategic upgrade. During the Year 2023, the Target Group's investment strategy was comprised three pillars, namely core-holding-centered private equity, portfolio management as well as trading and others.

As of 31 March 2023, the four main sectors of the Target Group's existing portfolio were Debt and Other Instruments, Technology, Media and Telecom ("**TMT**"), Medical and Health, and Financial Services, which represented 69.64% of the Target Group's total investments holdings. In terms of valuation, in the Debt and Other Instruments sector, Nanshan Capital Holdings Ltd 7% 27-6-2023 (the "**Nanshan Bonds**") was the largest investment, while the Target Group's major investment in the TMT sector included Jiedaibao Limited ("**Jiedaibao**"). The Target Group's leading position in the Medical and Health sector was the investment in iCarbonX Group Limited ("**iCarbonX**"). The Target Group's major investment in the Financial Services sector included CSOP and Treasure Up Ventures Limited (Beijing International Trust Co., Ltd.).

By Industry



By Holding Period



– *Unlisted Equity Investment*

Private equity represents equity investment in private companies through the Target Group's own capital to support its long-term development. The Target Company mainly divide private equity into two categories, namely long-term core holding and other private equity. As of 31 March 2023, the Target Company's holdings in private equity category amounted to HK$4,035.09 million.

Long-Term Core Holding

As of 31 March 2023, three companies were categorized as the Target Group's long-term core holding portfolio, namely iCarbonX Group Limited ("**iCarbonX**"), CSOP Asset Management Limited ("**CSOP**") and OPIM Holdings Limited ("**OPIM**"). iCarbonX primarily focuses on digital health management, CSOP is the largest Qualified Foreign Institutional Investor ("**RQFII**") manager globally, and OPIM is Asia's leading hedge fund platform. The Target Company's holdings in the core holding companies amounted to HK$1,096.07 million as at 31 March 2023. Given the growth potential of the core holding companies, the Target Company will continue to hold them and support their development in the long run while pursuing long-term investment return correspondingly.

iCarbonX Group Limited

Date of initial investment: 2018
Equity ownership: 7.73%
Carrying value: HK$945.85 million
Type of deal: Core Holding
Cost: HK$1,098.79 million
Location: China
Industry: Medical & Health

In 2018, the Target Company invested in iCarbonX as one of its core holding companies and established a joint venture with iCarbonX named iCarbonX OP Investment Limited to capture potential investment opportunities within the healthcare industry. As at 31 March 2023, the Target Group owned 7.73% of equity interests in iCarbonX and the carrying value of the position stood at HK$945.85 million.

iCarbonX is a global pioneer in artificial intelligence ("**AI**") and precision health management and aims to build an ecosystem of digital life based on a combination of individuals' life data, the internet and AI. Its main founding team comprises the world's top biologists with extensive experience in multi-omics technology, medical service, biological data analysis, AI and data mining.

In 2022, under the vision of continuing the construction of Digital Life ecosystem, iCarbonX continues to focus on business direction. Focusing on the unique peptide chip, which is a biasfree protein binding technology, iCarbonX will focus on the development of peptide drugs, in vitro diagnostics, smart chip manufacturing, medical and technology services in the future.

The Target Company believes iCarbonX's expertise in life science and AI equips the Target Group with unparalleled competitive advantages, particularly in an era of post-COVID-19, when AI-enabled healthcare research & development (R&D) is given significant prominence and people's awareness of health management improves. Going forward, the Target Group will continue to take an active role in bridging opportunities between iCarbonX and industry leaders to foster its development within the healthcare industry and attain capital appreciation. The investment in iCarbonX is believed to benefit the Target Company over the long run, therefore iCarbonX is held as a long-term core holding company within the Target Company's portfolio.

CSOP Asset Management Limited

Date of initial investment: 2008	Type of deal: Core Holding
Equity ownership: 22.5%	Cost: HK$60.00 million
Carrying value: HK$110.32 million	Location: Hong Kong
	Industry: Financial Services

CSOP was jointly established by the Target Company and China Southern Asset Management Co., Ltd in 2008. As at 31 March 2023, the Target Company owned 22.5% of the issued capital of CSOP, of which the carrying value stood at HK$110.32 million, increasing 6.34% or HK$6.58 million, as compared to HK$103.74 million as at 31 March 2022, such change is due to its robust business performance during the Year 2023.

CSOP is a well-known asset management company based in Hong Kong, which manages private and public funds, and provides investment advisory services to Asian and global investors with a dedicated focus on China investing. As a leading cross-border asset management expert in respect of Asset Under Management ("**AUM**"), CSOP is committed to providing investors with a flexible and efficient asset allocation tool through simple, transparent, and innovative products. As of December 2022, the scale of asset management of CSOP exceeded US$12.6 billion.

CSOP has performed particularly well in issuing and innovating ETFs, and has demonstrated its competitiveness in the market. Among the top 10 most actively traded ETFs listed on the Hong Kong Stock Exchange, CSOP's products account for six of them. In addition, among all Hong Kong Leveraged and Inverse Products, CSOP's Leveraged and Inverse Products have a market share of over 96.6% in terms of size and 99.3% in terms of average daily turnover.

CSOP have launched a total of seven new products in Hong Kong in 2022, including the first Metaverse Concept ETF in Hong Kong, the first Bitcoin Futures ETF in Asia and the first Ether Futures ETF in the world, which help investors capture multiple market opportunities. Meanwhile, CSOP became one of the first companies to participate in the mutualisation of ETF products between the Singapore Exchange (SGX) and the Shenzhen Stock Exchange (SZSE). Under the Shenzhen-Singapore ETF Product Interoperability Programme, the CSOP CSI STAR AND CHINEXT 50 INDEX ETF was listed on the Singapore Exchange on 30 December 2022.

Thanks to its excellent product design and strong performance, CSOP has won many awards in total from various parties at both corporate and product levels, including but not limited to the "Asia Fund House of the Year" and "Fund House of the Year" by

AsianInvestor, which is a authoritative asset management magazine in Asia, this is also the first time that a Chinese asset manager has won "Asia Fund House of the Year" since the establishment of the awards.

China has been accelerating the reforms and opening-up of its financial market in recent years and it is one of the most attractive investment destinations for international investors. CSOP will continue to bridge investment opportunities in China for overseas investors with its innovative fund products and expertise, achieving decent returns for investors and at the same time enhancing its leading position in the RQFII product management sector. The Target Company believes that CSOP will continue to bring solid returns and therefore will hold it as a long-term core holding company.

OPIM Holdings Limited

Date of initial investment: 2008	Type of deal: Core Holding
Equity ownership: 30%	Cost: HK$59.47 million
Carrying value: HK$39.90 million	Location: Hong Kong
	Industry: Financial Services

As at 31 March 2023, the Target Company owned 30% of the issued ordinary shares and 100% of the non-voting preference shares of OPIM, the position of the Target Group in OPIM stood at HK$24.50 million. OPIM managed over 35 funds as at the end of 2023, and the scale of fund managed was over US$1.2 billion.

OPIM is a leading hedge fund platform in Asia serving both global and Asia based managers to develop funds across diversified strategies for institutional and professional investors. It has built a whole ecosystem linking up fund managers, service providers and capital allocators, which enables the managers to launch offshore funds with efficient and affordable structures. With the ecosystem, managers are able to focus on fund performance and build a proven track record for future expansion. OPIM has also built strategic partnerships in Singapore, Europe and Mainland China to continue to increase its customer base and expand the scope of its service offerings to customers.

With the increasing scale of China's private funds in the overseas market, OPIM is expected to maintain the momentum of steady growth in terms of both the number of funds and the overall asset scale. At the same time, China has been accelerating the opening-up of its financial markets, which improves foreign managers' access to the Chinese market and as a result, OPIM is expected to benefit from it. The Target Company believes that OPIM has great potential to continue to grow its business, and therefore will hold it as a long-term core holding company.

Other Private Equity

Apart from long-term core holding, the Target Company's holdings in the other unlisted equity investment category amounted to HK$2,939.02 million as at 31 March 2023. The Target Group added new investments of HK$679.51 million during the Year 2023. In making decisions on either to maintain the holdings for future divestment to benefit from growth of business, or to exit and harvest returns for potential new investments, the Target Group based on prudent and extensive analysis of market condition and investment projects' prospect.

The major investments are listed as below:

Jiedaibao Limited

Date of initial investment: 2020
Equity ownership: 2.49%
Carrying value: HK$970.52 million

Type of deal: Private Equity
Cost: HK$900.39 million
Location: China
Industry: TMT

In 2020, the Target Company entered into a share purchase agreement with an existing shareholder of Jiedaibao to purchase 1.97% of the shares issued by Jiedaibao at a consideration of HK$700 million. The Target Company subsequently increased its capital by HK$200.39 million in November 2021. As at 31 March 2023, the Target Group's position in Jiedaibao stood at HK$970.52 million, representing 2.49% of the shares issued by Jiedaibao.

Founded in 2014, Jiedaibao is an internet fintech company providing services of contract signing, registration and post-loan management for borrowing and lending money between individual users and supply chain finance of corporate users, aiming to solve the financing difficulty problem for individuals as well as micro-, small and medium- sized enterprises ("**SME**"). Jiedaibao strives to be the largest service platform for individual borrowings and corporate supply chain finance in China. The mobile App 借貸寶 ("**借貸寶**"), which is operated by Jiedaibao, mainly provides registration tools for online I Owe You ("**IOU**") issuance and supplementing and relevant value-added services. Adopting AI visual technology, a sound cloud storage system and online payment system, 借貸寶 empowers online borrowing and lending transactions and micro-SME's supply chain finance. The sources of revenue are mainly coming from registration service fee, collection service fee, marketing fee, certification service fee, software development fee and loan interests, etc.

By right of the universality of its function and the business model, 借貸寶 has gained significant market share in Mainland China since its launch 6 years ago. With licenses of online payment, commercial banking and internet microloans, Jiedaibao is building a complete Fintech ecosystem. The Target Company expects the continuously growing business of Jiedaibao would generate considerable medium-term return for the Target Group.

*Treasure Up Ventures Limited (Beijing International Trust Co., Ltd., "**BITIC**")*

Date of initial investment: 2016	Type of deal: Private Equity
Equity ownership: 25%	Cost: HK$351.67 million
Carrying value: HK$436.84 million	Location: China
	Industry: Financial Services

The Target Company acquired 25% equity interest in Treasure Up Ventures Limited ("**Treasure Up**"), which in turn participates in a minority economic interest in BITIC. As at 31 March 2023, the Target Group's position in BITIC stood at HK$436.84 million as compared to HK$394.35 million as of 31 March 2022. The increase was primarily attributable to the recovery of the global market, as a result of increase the valuation of companies in the same industry.

BITIC is a China-based large-scale non-banking financial institution, which primarily engages in trusts, investment funds, financial services, brokerage and advisory business. The trust industry has been playing an irreplaceable role in China's economic development and financial resource allocation. In recent years, the rapid development of wealth management business driven by the accumulation of private wealth has brought the industry with historic opportunities. Quickly adapting to the changes in the market and national policy environment, BITIC formulated its twin-engine strategy in 2019, which is asset management and wealth management respectively, and has adjusted its service offering focusing on quality rather than quantity since 2018. After several years of continuous improvement and development, BITIC has established four professional sectors, which are securities investment, securities research, investment banking and securities operation, and has formed multi-strategy TOF portfolio investments, fixed-income investments, asset securitization and other securities investment product lines, creating many representative products with excellent performance.

The active management capability of BITIC ranks high in the industry, it has been awarded "Outstanding Trust Company Award", "Financial Product of the Year with Influence in Financial Market" and other honors, and has been recognized by investors and partners. The Target Company believes that with the continuous opening-up and improvement of China's financial system, and the leading position of BITIC in trust industry, BITIC is expected to deliver a decent return on investment for the Target Group.

*上海恒嘉美聯發展有限公司("**恒嘉美聯**")*

Date of initial investment: 2022
Equity ownership: 14.9%
Carrying value: HK$447.44 million

Type of deal: Private Equity
Cost: HK$450.00 million
Location: China
Sector: Others

Metaqi Capital Limited, a wholly-owned subsidiary of the Target Company, entered into a capital injection agreement with 恒嘉美聯, with a commitment to a capital contribution of HK$600.00 million to acquire 19.9% of equity interest in 恒嘉美聯. As at 31 March 2023, the capital injection has reached HK$450 million, representing 14.9% of equity interest in 恒嘉美聯.

恒嘉美聯, established in 1999, is a comprehensive group mainly engaged in equity investment, property investment and commodity trading. 恒嘉美聯 focuses on equity investment in financial services and currently holds equity interest in more than ten companies, including 長安基金管理公司 and Yingkou Coastal Bank, all of which have achieved different degrees of increase in value. 恒嘉美聯 also further improves its asset allocation through property investment and international commodity trading business, which are operating well and continue to generate stable income.

Over the past 20 years since its establishment, 恒嘉美聯 has accumulated substantial investment experience and industrial layout capabilities in the fields of finance, property and commodities. With the rapid development of the Chinese economy driven by economic globalization, the Target Group believes that under the background of further liberalization of the financial market, 恒嘉美聯 will usher in new development opportunities, which is expected to bring medium-term returns to the Target Group.

Portfolio Management

As at 31 March 2023, the Target Company's holdings in the portfolio management category amounted to approximately HK$6,911.54 million. The Target Company holds listed securities included in this category amounted to HK$534.01 million, debt investments amounted to HK$3,377.00 million, fund investments amounted to HK$3,000.53 million. The Target Group added an investment of HK$4,224.53 million and exited from listed securities, fund investments, and debt investments amounting to HK$364.30 million in total in this category during the Year 2023. At the same time, the Target Group's portfolio of debt instruments recorded provision for expected credit losses under HKFRS 9, while some listed securities recorded market price change during the Year 2023.

The Target Group invests in debt instruments with the consideration of return, risk and liquidity. For the Year 2023, the interest rate charged for the debt instruments, of which the borrowers were mainly investment companies, ranged from 6% to 9% as compared to 6% to 10% for the same period last year. The total interest income generated from debt instruments was HK$191.40 million with loan tenures ranging from 6 months to 2 years, while the corresponding amount and range for the same period last year were HK$91.11 million and 1 year to 2 years, respectively. The Target Company maintains regular communication with debt issuers and loan borrowers. As at the end of the Year 2023, management have assessed the repayment ability of the issuers/borrowers for the determination of expected credit loss provisions.

The major investments are listed as below:

Nanshan Capital Holdings Ltd 7% 27-06-2023

Date of initial investment: 2023	Type of deal: Bond
Cost: HK$975.00 million	Carrying value: HK$975.72 million
Location: Hong Kong	Sector: Others

On 28 June 2022, 6 July 2022 and 25 July 2022, WK Century Holdings Limited, a wholly-owned subsidiary of the Target Company, subscribed for Nanshan Bonds in the respective principal amounts of US$33,750,000, US$70,000,000 and US$21,250,000. The Nanshan Bonds bear interest at the rate of 7% per annum and will mature on 27 June 2023. The issuer is Nanshan Capital Holdings Limited ("**Nanshan Capital**"), and the guarantor is Nanshan Group Co., Ltd ("**Nanshan Group**"), the parent company of Nanshan Capital. The long-term credit rating of Nanshan Group was granted an "**AAA**" by China Lianhe Credit Rating Co., Ltd in 2022. As at 31 March 2023, the Target Group's position in Nanshan Bonds amounted to HK$975.72 million. The bonds were subsequently fully redeemed.

Founded in 1979, Nanshan Group has formed a multi-industry development pattern led by Nanshan Aluminum, 南山智尚, Yulong Petrochemical, logistics, finance, education, tourism, technology, and healthcare after years of development. As a large-scale integrated group enterprise focusing on aluminum further fabrication in China, Nanshan Group has significant advantages in terms of industry status, completeness of the industrial chain, research and development strength and capacity utilisation level. Nanshan Group is the controlling shareholder of three listed companies, including Shandong Nanshan Aluminum Co., Ltd. (600219.SH), Shandong Nanshan Fashion Sci-tech Co., Ltd (300918.SZ) and Hengtong Logistics Co., Ltd. (603223.AS). The Target Group believes that the interest rate of Nanshan Bonds is generally higher than the time deposit interest rate offered by well-known financial institutions in Hong Kong, which will enable the Target Group to obtain stable returns in the current turbulent economic environment.

Ninth Eternity Asia Fund LP

Date of initial investment: 2021	Type of deal: Fund
Equity Ownership: 23.33%	Cost: HK$700 million
Carrying value: HK$699.70 million	Location: China
	Industry: Others

In 2021, The Target Company entered into the Subscription Agreement with Ninth Eternity Asia Fund LP through its wholly-owned subsidiary. The scale of Ninth Eternity Asia Fund LP is HK$3 billion, it focuses on the investment opportunities in growing industries in the Greater China, and the key investment area including high growth industry such as technology, high-end manufacturing. The investment scope of the fund includes primary equity, stocks, bonds (including convertible bonds) and other equity products or fixed income products. The Target Group's position in Ninth Eternity Asia Fund LP was HK$779 million as at 31 March 2023.

Pursuant to the Partnership Agreement of the Fund, Ninth Eternity HK Limited is the General Partner of Ninth Eternity Asia Fund LP, it has the exclusive power and authority to manage the Partnership, as well as the discretionary authority to manage the assets and investments of the Partnership. Ninth Eternity HK Limited is established by the earliest innovative domestic and overseas investment fund managers, which has more than 10 years of experience in the investment field, and has extensive experience in multiple macroeconomic cycles, financial cycles, industrial cycles and fund management cycles and achieved excellent investment performance.

China's economy is at a critical stage of transformation and upgrading. "The 14th Five-Year Plan" proposed to strengthen national strategic technology power and implement manufacturing power strategy, technology and high-end manufacturing will definitely be the focus of the next development stage of the PRC. The key investment industry of Ninth Eternity Asia Fund LP covers the relevant fields under the guideline of national strategy. It is believed that the professional capability of the management team in terms of investment management, resources integration and compliance risk control, will assist the Target Group to capture the investment opportunities of technology, high-end manufacturing and other fields, which is expected to create medium-term returns to the Target Group.

Ninth Eternity Asia Fund II LP

Date of initial investment: 2021	Type of deal: Fund
Equity ownership: 26.67%	Cost: HK$800 million
Carrying value: HK$895.87 million	Location: China
	Industry: Others

In 2021, the Target Company entered into the Subscription Agreement with Ninth Eternity Asia Fund II LP through its wholly-owned subsidiary. The scale of Ninth Eternity Asia Fund II LP is HK$3 billion, it mainly invests companies with stronger competitiveness and sustainable growth ability in the Greater China. Ninth Eternity Asia Fund II LP mainly focus on investment opportunities in high-growth industries such as consumption, internet and pharmaceuticals, covering venture capital, primary equity, stocks, bonds and other products. The Target Group's position in Ninth Eternity Asia Fund II LP was HK$895.87 million as at 31 March 2023.

Fleming Capital Holdings Limited is the General Partner of Ninth Eternity Asia Fund II LP. It consists of a professional management team with international background and extensive experience in global asset management, committing to building a competitive product and service system. In the context of high-quality economic development in China, Fleming Capital Holdings Limited deeply captures the investment opportunities in the real economy and capital market in Greater China by in-depth investment research and professional investment judgement and it is expected to bring medium-term returns to the Target Group.

*青島萬峰時代領航股權投資中心 (“**時代領航基金**”)*

Date of initial investment: 2022
Cost: HK$803.08 million
Location: China

Type of deal: Fund
Carrying value: HK$808.30 million
Sector: TMT

In September 2022, the Target Company entered into a partnership agreement with 北京泰合萬峰投資管理有限公司 through its wholly-owned subsidiary, in order to subscribe for the interest in the limited partnership of 時代領航基金. 時代領航基金 mainly invests in the equity of non-listed companies in related industries such as cybersecurity software, the internet, artificial intelligence, integrated circuit, etc. The scope of investment includes products such as primary equity, treasury bond, central bank bills, money market funds. The scale of 時代領航基金 is RMB2 billion, with a total of 6 investment projects covering software development, semiconductor, computer and other industries, and the position of the Target Group in 時代領航基金 was HK$808.30 million as at 31 March 2023.

北京泰合萬峰投資管理有限公司, the general partner of 時代領航基金, has extensive experience, deep industry understanding and comprehensive professional technology in private equity investments and capital market. It is able to aggregate quality projects for the fund and facilitate the construction of a broader ecosystem for the invested projects. The “14th Five-Year Plan” has elevated technology and innovation to a crucial position in the whole field of China’s modernization, and comprehensively supporting the development of new generation information technology, new materials, high-end equipment, and other emerging industries at the policy level. The Target Group believes that the subscription of the 時代領航基金 will allow the Target Group to participate indirectly in the emerging technology industry investment in China and reduce the risk of direct investment through the professional management of the investment manager, which is expected to bring substantial medium-term returns to the Target Group.

*青島泰合專精特新股權投資中心(“**專精特新基金**”)*

Date of initial investment: 2022
Cost: HK$450.23 million
Location: China
Type of deal: Fund
Carrying value: HK$444.86 million
Sector: TMT

In July 2022, the Target Company entered into a partnership agreement with 北京泰合萬峰投資管理有限公司 through its wholly-owned subsidiary, in order to subscribe for the interest in the limited partnership of 專精特新基金. 專精特新基金 plans to invest in innovative non-listed companies with distinctive expertise that focus on niche markets, including energy conservation and environmental protection, fintech, new energy, Internet of Things, and other related industries. The scope of investment includes products such as primary equity, bank deposits and money market funds. The scale of 專精特新基金 is RMB790 million, and the position of the Target Group in 專精特新基金 was HK$444.86 million as at 31 March 2023.

As the fund manager of 專精特新基金, 北京泰合萬峰投資管理有限公司 has obtained the registration of management institutions of privately offered investment funds from Asset Management Association of China in 2015. It has solid experiences and track records in private equity investments, as well as execution experience in business development and management across various industries. Currently, China has been continuously increasing its efforts in nurturing Specialized and Sophisticated SME, which have become an important support for China's manufacture and an essential force for stimulating innovation and optimising ecological industries. Given that 專精特新基金 will invest in Specialized and Sophisticated SME in PRC, the Target Group considered that subscribing 專精特新基金 will provide diversified investment opportunities and potential investment returns from different high growth industries to the Target Group.

*Dagang Holding Group CO., LTD. (Stock code: 300103.SZ) (“**Dagang Holding**”)*

Date of initial investment: 2019
Equity ownership: 19.9%
Carrying value: HK$452.43 million
Type of deal: Securities
Cost: HK$781.23 million
Location: China
Industry: Environment & Industrials

In June 2019, the Target Company via its wholly-owned subsidiary, 英奇投資(杭州)有限公司, entered into a share transfer agreement with the seller to acquire 19.9% shareholding or 63,202,590 shares of Dagang Holding, which have been registered under the name of 英奇投資(杭州)有限公司 with China Securities Depository and Clearing Corporation Limited as at 23 October 2020.

In 2022, due to the overall downturn of the road machinery market in China, the performance of the high-end road equipment research and manufacturing segment of Dagang Holding declined year-on-year. Meanwhile, the performance of the integrated recycling segment of hazardous waste and solid waste was also affected by the delay in the completion of the technical reform of the production line. As a result of a combined effect of various factors, Dagang Holding's results for the year 2022 decreased significantly year-on-year. In 2022, Dagang Holding achieved total operating revenue of RMB390 million, representing a decrease of 61.02% as compared to the corresponding period of the last year, and achieved a net loss attributable to shareholders of the listed company of RMB340 million, representing a decrease of 1,355.31% as compared to the corresponding period of the last year. As at 31 March 2023, the Target Group's position in Dagang Holding stood at HK$452.43 million, representing 18.9% of equity interest in Dagang Holding, decreasing 38.84% as compared to HK$739.78 million as at 31 March 2022 mainly due to performance and market conditions leading to a drop in share price.

Founded in May 2002 and being listed on the SME Board of Shenzhen Stock Exchange in August 2010, Dagang Holding has been trading under stock code of 300103.SZ. Currently, Dagang Holding has developed into a high-tech enterprise integrating the business segments of "high-end road equipment R&D and manufacturing + public facilities smart operation and maintenance + comprehensive recycling of hazardous waste and solid waste". Its products and services are widely used in various fields such as road construction, public facility management, environmental protection, digitalization of vector control. During 2021, Dagang Holding extends vector control and rural vitalization businesses based on the foundation of the existing three sector businesses, further strengthen synergies among businesses.

The Target Company believes that benefiting from its established market leadership in the high-end road equipment sector and the growth momentum of urban road smart operation and maintenance as well as comprehensive recycling of hazardous waste and solid waste sector, and further expansion of vector control and rural vitalization sectors, Dagang Holding is expected to bring medium-term returns to the Target Group.

Trading and Others

As at 31 March 2023, the Target Company's holdings in the trading and others category amounted to HK$0.91 million. The Target Company's holdings in listed securities that fell into this category amounted to HK$0.46 million, while the holdings in the other equity investment amounted to HK$0.45 million. During the Year 2023, the Target Company made new investments in and divestments from some listed securities and an equity investment to enhance the capital liquidity and generated returns from capital gains.

Dividend Policy and Proposed Final Dividend

In considering whether to declare and/or recommend the payment of dividends to the shareholders of the Target Company, the board of the Target Company will take into account factors including but not limited to the Target Group's overall financial position; cash flow; future operating and administrative expenses; future investment plans; the regional and global economic conditions and other factors that may have an impact on the investment market. The board of the Target Company has resolved not to pay any final dividend in respect of the Year 2023 (FY2021/2022: nil).

Liquidity and financial resources

The Target Group's major sources of revenue currently is interest revenue from bank deposits and financial instruments held.

As at 31 March 2023, the Target Group had bank and cash balances of HK$108.36 million (31 March 2022: HK$86.40 million). The Target Group had an aggregate of HK$1,280.39 million as at 31 March 2023 (31 March 2022: HK$1,844.97 million) loans primarily comprised of bank loans from the Target Group's principal bankers, loan from a securities company, unsecured other interest-bearing borrowings from third parties and interest-free borrowings from one of the associates for a PRC potential investment as at 31 March 2023. The debt-to-equity ratio (interest-bearing external borrowings divided by shareholders' equity) stood at 12.09% (31 March 2022: 32.01%) while the debt ratio (total borrowings divided by total assets) was 11.26% (31 March 2022: 24.79%). The current ratio (current assets divided by current liabilities) was 4.18 times (31 March 2022: 1.19 times).

The board of the Target Company believes that operations and borrowing resources are sufficient to provide funding to satisfy the ongoing investment and working capital requirements for the foreseeable future.

Material Acquisitions and Disposals of Investments

The Target Group had the following material acquisitions as well as disposals of investments during the Year 2023.

	New/Additional Investment *(HK$ million)*	Divestment/ Disposal *(HK$ million)*
Private Equity	679.51[1]	25.94[6]
Portfolio Management		
– Listed securities	68.64[2]	139.98[7]
– Debt instruments	2,857.75[3]	178.55[8]
– Others	1,298.14[4]	45.77[9]
Trading and others	4.08[5]	22.63[10]
Total	4,908.12	412.87

(1) HK$199 million of private equity represents the Target Group's investment in a joint venture during the Year 2023, the remaining are investments in other private equity investments totaling HK$480.51 million.

(2) Represents the Target Group's investments in 2 listed securities during the Year 2023.

(3) Of the HK$2,857.75 million, HK$975 million was invested in a listed bond, the remaining of HK$1,882.75 million represents investments in 11 unlisted debt investments.

(4) Represents the Target Group's investments in 5 fund investments.

(5) Represents the Target Group's investments in 2 listed securities.

(6) Represents the Target Group's divestment from a private equity investment.

(7) Represents the Target Group's divestments from 5 listed securities during the Year 2023.

(8) Represents the Target Group's 3 debt investments during the Year 2023.

(9) Represents the Target Group's divestment from a fund investment.

(10) Represents the Target Group's divestments from 12 listed securities.

Exposure to Fluctuations in Exchange Rates and Related Hedges

As at 31 March 2023, the Target Group was exposed to foreign exchange risk arising from financial instruments that are monetary items including investments at fair value through profit or loss, interest receivables, loans and other receivables, bank balances, borrowings and lease liabilities and other payables (31 March 2022: investments at fair value through profit or loss, prepaid consideration for equity investment, loans and other receivables, bank balances and other payables). These assets were denominated in RMB and the maximum exposure to foreign exchange risk was RMB2,039.41 million, equivalent to HK$2,329.01 million (31 March 2022: RMB1,178.34 million, equivalent to HK$1,450.30 million).

As at 31 March 2023, the Target Group held certain financial assets which were denominated in USD. The Board is of the opinion that the Target Group's exposure to USD foreign exchange risk is minimal as HKD is pegged to USD based on the Linked Exchange Rate System in Hong Kong.

Charges on the Target Group's Assets and Contingent Liabilities

As at 31 March 2023, save as certain listed securities of the Target Group being used to secure the Target Group's margin securities trading and certain interests in associates and part of bank time deposit are pledged for the Target Group's bank loan, there were no charges on the Target Group's assets.

Employees

As of 31 March 2023, the Target Group had 33 employees (31 March 2022: 32), inclusive of all Target Directors and its subsidiaries. Total staff costs including equity-settled share-based payments for the Year 2023 amounted to HK$17.03 million (FY2021/22: HK$19.31 million). The Target Group's remuneration policies are in line with market practices and are determined on the basis of the performance and experience of individual employees. During the Year 2023, the board of the Target Company did not grant any share option under the Target Company's share option scheme to any Target Directors or eligible employees of the Target Group and there were no granted share options exercised (FY2021/22: nil). As at 31 March 2023, there were zero (31 March 2022: 16,000,000) share options that remained outstanding under the share option scheme.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THEIR EXPECTED SOURCES OF FUNDING

As at 31 March 2023, there were no plans for material investments or capital assets, but the Target Group may, at any point, be negotiating potential investments. The Target Company considers new investments as part of its daily business, and therefore management may publicly announce these plans as they become necessarily disclosable to shareholders during the course of the financial year.

FOR THE YEAR ENDED 31 MARCH 2024

Business Overview – General

The global economic growth momentum remains lackluster given the combined effect of long-term factors such as the global industrial chain adjustment, frequent geopolitical conflicts and tensions in international relations, coupled with cyclical factors such as tightening of monetary policy and rising debt risks. Against this macro backdrop, China's capital market has also been exposed to severe challenges. Investment risks continue to rise due to multiple factors such as weak world economic growth, downward absorption of foreign capital and low investor confidence. Confronted with such market situation, the Target Company have responded proactively and flexibly adjusted the Target Group's investment strategy, adhering to the Target Group's core investment philosophy of prudence, and recorded relatively stable returns for the year ending 31 March 2024 (the "**Year 2024**").

In FY2023/2024, the Target Company made comprehensive adjustment to optimize out investment strategies in view of changes in market environment and the strategic development needs of the Target Company. The Target Company re-established the Target Group's four major investment strategies, namely core-holding-centered unlisted equity investment, debt investment, fund investment and listed equity investment.

The global economy today is undergoing rapid changes, with technology reshaping the world at an unprecedented speed. As an investment company, the Target Company understand that the Target Company must keep abreast of technological development to stay ahead in the market among fierce competitions. Therefore, during this fiscal year, the Target Company changed its name to Wealthink AI-Innovation Capital Limited and adopted "華科智能投資有限公司" as its Chinese name. This not only represents a new brand image, but also highlights the Target Group's strategic intention to expand the Target Group's presence in the field of intelligent technology. The Target Company firmly believe that by investing in these cutting-edge technologies, the Target Company will be able to capitalize on future growth opportunities and propel the Target Company to achieve leapfrog development. The Target Company plan to accurately identify startups with disruptive technologies and promising market prospects through exhaustive market research. At the same time, the Target Company will also actively explore strategic cooperation opportunities with industry-leading companies with a view to building a diversified portfolio in key areas such as artificial intelligence and big data.

Amid a volatile market, the Target Company have always placed risk management at the core. Over the past year, the Target Company continued to strengthen the Target Group's internal control and compliance management, constantly building up the Target Group's risk defenses and appropriately resolving various risks and hidden dangers. At the management level of the Target Group's investment business, the Target Company focused on strengthening the post-investment and exit management mechanism of the Target Group's unlisted investment projects to improve the overall efficiency of post-investment management through systematic implementation of post-investment management and meticulous monitoring of the performance of investment projects. In addition, the Target Company have conducted a comprehensive business risk assessment to identify, accurately quantify and systematically prioritize the major risk points that need to be dealt with, and have prepared corresponding risk control plans to ensure the sound development of the Target Group's investment business.

Over the past year, the Target Company made steady progress amid a complex and volatile market environment and delivered hard-earned results. At present, many authoritative global economic institutions have raised their expectations for China's economic growth, which has undoubtedly injected stronger confidence in the Target Group's development. The Target Company firmly believe that with the steady recovery of the Chinese economy and the maturing of the capital market environment, China's investment market will show new vitality. The Target Company will continue to be market-oriented and policy-led, closely follow the pace of national development, serve national strategies and the real economy, and continuously improve the Target Group's project selection and risk management capabilities, with a view to getting a head start as the market picks up and creating stable and lasting value for its shareholders.

Financial Review

Financial Position

Net asset value: As at 31 March 2024, the Target Group's net asset value was HK$9,912.62 million, or HK$0.94 per share, as compared to HK$10,010.76 million and HK$0.95 per share respectively as at 31 March 2023.

Gearing: The gearing ratio, which was calculated on the basis of total liabilities over total equity as at 31 March 2024, was 0.15 (31 March 2023: 0.14).

Investments in associates and joint ventures: It represents the Target Group's interests in companies accounted for using equity method such as CSOP and Treasure Up Ventures Limited ("**Treasure Up**"), etc. Assets value stood at HK$656.50 million as at 31 March 2024, representing a decrease of 28.79% as compared to HK$921.86 million as at 31 March 2023, mainly due to share of loss of Treasure Up and disposal of an associate along with disposal of a subsidiary during the Year 2024.

Investments at fair value through profit or loss: It stood at HK$6,580.36 million as at 31 March 2024, representing a decrease of 1.17% as compared to HK$6,658.22 million as at 31 March 2023, mainly attributable to the depreciation of RMB.

Debt investments: It represents the investments in debt instruments as at 31 March 2024, which amounted to HK$3,749.49 million. The increase of 11.34% as compared to HK$3,367.46 million as at 31 March 2023 was due to new investments during the Year 2024.

Bank and cash balances: As at 31 March 2024, the Target Group's bank and cash balances stood at HK$45.01 million (31 March 2023: HK$108.36 million). The Target Group manages its bank and cash balances principally on the basis of making good use of capital to achieve returns for shareholders and ensuring sufficient liquidity for the Target Group's working capital requirements.

Financial Results

The Target Group recorded a total revenue of HK$308.33 million during the Year 2024, representing an increase of 59.97% as compared to HK$192.74 million for the same period last year. The Target Group recorded profit for the Year 2024 of HK$53.65 million as compared to HK$146.38 million for the same period last year. Current year's results comprised of HK$308.33 million of revenue mainly generated from debt investments, HK$77.66 million of net other income and gains, but offset by HK$38.80 million of net change in unrealised loss on investments at fair value through profit or loss, HK$99.10 million of share of losses of associates and joint ventures, HK$86.37 million of finance costs, HK$61.94 million of operating and administrative expenses and HK$41.92 million of net realised loss on disposal of investments.

Revenue represents the income received and receivable on investments during the Year 2024 as follows:

	2023/2024	**2022/2023**
	HK$'000	*HK$'000*
Dividend income[(1)]	–	1,038
Interest revenue[(2)]	308,329	191,703
	308,329	192,741

(1) Dividends received and receivable from listed securities during the Year 2024.

(2) Interest revenue was primarily generated from the Target Group's debt instruments as well as deposit in banks.

Other income and gains, net: The other income and gains, net mainly represents the net gain on disposal of subsidiaries of HK$84.31 million (FY2022/2023: net loss of HK$1.54 million) during the Year 2024. Unlisted investment funds, unlisted debt investments and listed securities included in investments at fair value through profit or loss, and private equity investments included in investments in associates were divested along with the disposal of subsidiaries.

Net change in unrealised loss on investments at fair value through profit or loss: The net change in unrealised loss of HK$38.80 million (FY2022/2023: HK$78.61 million) mainly represents the net results of unlisted investment funds, private equity investments and listed securities with unrealised loss of HK$296.45 million, but offset by unrealised gain of HK$257.65 million.

Net realised loss on disposal of investments: The realised loss of HK$41.92 million (FY2022/2023: HK$8.19 million) during the Year 2024 mainly represents loss from disposal of listed securities and an unlisted equity investment.

Operating and administrative expenses: The operating and administrative expenses totaling HK$61.94 million (FY2022/2023: HK$77.23 million) were mainly staff costs, legal and professional fees, depreciation, etc. The decrease in operating and administrative expenses was primarily driven by decrease of depreciation of right-of-use assets as a result of office relocation.

Share of (losses)/profits of associates and joint ventures: A net loss of HK$99.10 million (FY2022/2023: net profit of HK$87.54 million) mainly accounted for share of results of CSOP and Treasure Up. The significant decrease was mainly due to share of loss of Treasure Up during the Year 2024.

Other comprehensive expense: Changes in the Target Group's net asset value, which are not accounted for in "profit for the year", are recorded under "other comprehensive expense". Other comprehensive expense of HK$151.79 million (FY2022/2023: HK$119.45 million) represents the exchange differences, primarily due to the depreciation of RMB during the Year 2024.

Investment Overview

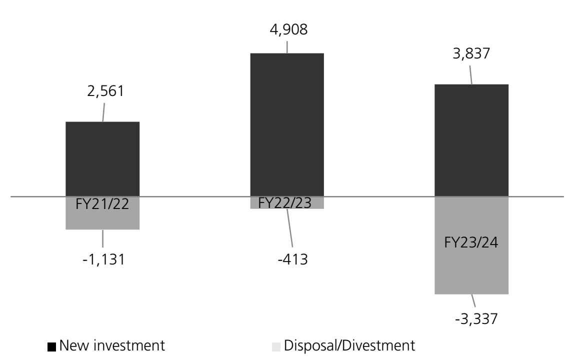
The Target Group leverages its capital strength to invest in targeted companies, with returns primarily generated from interests, dividends and capital appreciation. In FY2023/2024, in view of changes in market environment and the strategic development needs of the Target Company, the Target Company underwent comprehensive adjustments and optimization of the Target Group's investment strategy. The Target Company re-established its four-core investment strategy, namely core-holding-centered unlisted equity investment, debt investment, fund investment and listed equity investment.

Investment Activities

During the Year 2024, due to the volatile international trading environment, the sluggish internal consumption market and the increasing geopolitical risk, China's economy was still exposed to downward pressure. Against this backdrop, the capital markets in Mainland China and Hong Kong showed relative weakness, which brought certain challenges to the Target Group's investment business and post-investment management. Confronted by the volatility and uncertainty of the market, the Target Company adhered to the principle of investment diversity and risk diversification, prudently evaluated various investment opportunities, and comprehensively adjusted and improved investment strategies. Through various asset categories including investments in unlisted equity, debt, fund and listed equity, the Target Company further improved the diversity and stability of the Target Group's investment portfolio. In addition, under the complex and ever-changing economic situation, the Target Company also strives to identify certain industrial trends and focus the Target Group's investment on the emerging technology fields while continuing to strengthen strategic execution in the technology field.

During the Year 2024, the Target Company exercised extra prudence on new equity investments and strove for the maximum value of the Target Group's capital and the financing capability as a public company. The Target Group's investment and divestment decisions are made based on comprehensive considerations and assessments of return, risk and opportunity cost. During the Year 2024, the Target Group's new investments amounted to HK$3,837.48 million, and the Target Group's divestments amounted to HK$3,337.07 million.

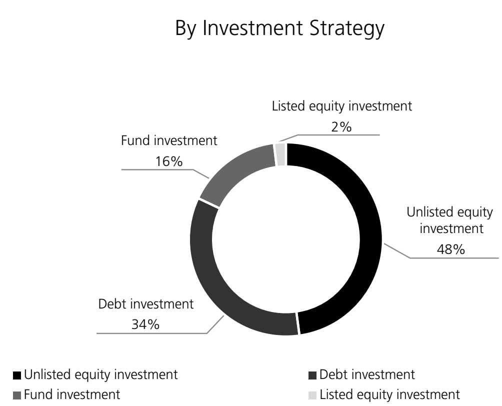
New Investment and Divestment/Disposal over the latest 3 Years (HK$ million)

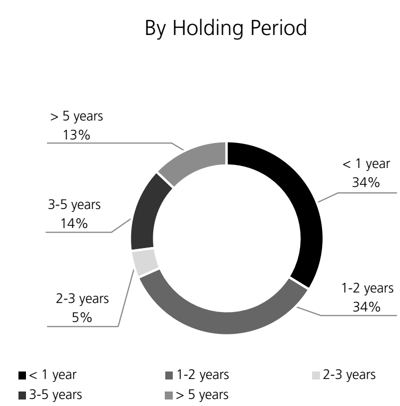


Portfolio Breakdown

In FY2023/2024, the Target Company underwent comprehensive adjustments and optimization of the Target Group's investment strategy. During the Year 2024, the Target Group's investment strategy was comprised of four pillars, namely core-holding-centered unlisted equity investment, debt investment, fund investment and listed equity investment. Unlisted equity investment strategy focuses on exploring and investing in unlisted enterprises with long-term growth potential, providing necessary capital support for the enterprises through direct investment or purchase of economic interest, and sharing their growth dividends. Debt investment strategy aims to obtain stable and fixed income through purchase of bonds or providing loans. While fund investment strategy participates in diversified investment opportunities with the help of the industry experience and market insights of professional fund management companies, thereby realising the decentralized allocation and professional management of assets. Listed equity investment strategy mainly focusses on short-term investment opportunities in the secondary market in and outside China to balance the liquidity and rate of return of the portfolio. Combined with these four major investment strategies, the Target Company strive to build a balanced and efficient portfolio to bring continuous and steady investment returns to the shareholders.

As of 31 March 2024, in the unlisted equity investment category, 四川鴻鵠志遠教育管理集團有限公司("**鴻鵠教育**") was the largest investment; in the debt investment category, Hong Kong Nanshan Development Ltd 7.5% 23-05-2024 ("**Nanshan Bonds**") was the largest investment; in the fund investment category, the major investment was 青島萬峰時代領航股權投資中心("**時代領航基金**"); in the listed equity investment category, the major investment was China Zheshang Bank (2016.hk).





– *Unlisted Equity Investment*

Unlisted equity investment is the Target Group's important investment strategy. The Target Company is committed to seeking unlisted enterprises with long-term growth potential and market competitiveness, providing support for these enterprises through direct equity investment or purchase of their economic interest, thereby harvesting considerable investment returns from their growth. The Target Company mainly divides unlisted equity investment into two categories, namely long-term core holding and other unlisted equity investment. As of 31 March 2024, the Target Company's holdings in the unlisted equity investment category amounted to HK$5,263.53 million.

Long-Term Core Holding

As of 31 March 2024, three companies were categorized as the Target Group's long-term core holding portfolio, namely iCarbonX Group Limited ("**iCarbonX**"), CSOP Asset Management Limited ("**CSOP**") and OPIM Holdings Limited ("**OPIM**"). iCarbonX primarily focuses on digital health management, CSOP is the largest Qualified Foreign Institutional Investor ("**RQFII**") manager globally, and OPIM is Asia's leading hedge fund platform. The Target Company's holdings in the core holding companies amounted to HK$934.00 million as at 31 March 2024. Given the growth potential of the core holding companies, the Target Company will continue to hold them and support their development in the long run while pursuing long-term investment return correspondingly.

iCarbonX Group Limited

Date of initial investment: 2018	Type of deal: Core Holding
Equity ownership: 7.73%	Cost: HK$1,098.79 million
Carrying value: HK$797.63 million	Location: China
	Industry: Medical & Health

In 2018, the Target Company invested in iCarbonX as one of its core holding companies and established a joint venture with iCarbonX named iCarbonX OP Investment Limited to capture potential investment opportunities within the healthcare industry. As at 31 March 2024, the Target Group owned 7.73% of equity interests in iCarbonX and the carrying value of the position stood at HK$797.63 million.

iCarbonX is a global pioneer in artificial intelligence ("**AI**") and precision health management and aims to build an ecosystem of digital life based on a combination of individuals' life data, the internet and AI. Its main founding team comprises the world's top biologists with extensive experience in multi-omics technology, medical service, biological data analysis, AI and data mining.

In 2022, under the vision of continuing the construction of Digital Life ecosystem, iCarbonX continues to focus on business direction. Focusing on the unique peptide chip, which is a biasfree protein binding technology, iCarbonX will focus on the development of peptide drugs, in vitro diagnostics, smart chip manufacturing, medical and technology services in the future.

The Target Company believes iCarbonX's expertise in life science and AI equips the Target Group with unparalleled competitive advantages, particularly in an era of post-COVID-19, when AI-enabled healthcare research & development (R&D) is given significant prominence and people's awareness of health management improves. Going forward, the Target Group will continue to take an active role in bridging opportunities between iCarbonX and industry leaders to foster its development within the healthcare industry and attain capital appreciation. The investment in iCarbonX is believed to benefit the Target Company over the long run, therefore iCarbonX is held as a long-term core holding company within the Target Company's portfolio.

CSOP Asset Management Limited

Date of initial investment: 2008
Equity ownership: 22.5%
Carrying value: HK$111.87 million

Type of deal: Core Holding
Cost: HK$60.00 million
Location: Hong Kong
Industry: Financial Services

CSOP was jointly established by the Target Company and China Southern Asset Management Co., Ltd in 2008. As at 31 March 2024, the Target Company owned 22.5% of the issued capital of CSOP, of which the carrying value stood at HK$111.87 million, increasing HK$1.55 million, as compared to HK$110.32 million as at 31 March 2023, such increase is due to its robust business performance during the Year 2024.

CSOP is a well-known asset management company based in Hong Kong, which manages private and public funds, and provides investment advisory services to Asian and global investors with a dedicated focus on China investing. As a leading cross-border asset management expert in respect of Asset Under Management ("**AUM**"), CSOP is committed to providing investors with a flexible and efficient asset allocation tool through simple, transparent, and innovative products.

CSOP is one of the largest ETF issuers in Hong Kong. As of the first quarter of 2024, the scale of AUM exceeded US$14,700 million, occupying a leading position in various sectors. CSOP is the bellwether in Hong Kong's ETF market. It is the ETF issuer that received the most capital inflows in 2023. It is also the only ETF issuer that has achieved net increase in scale among the top three. The products issued by it account for the top ten active trading ETFs in Hong Kong all year round. In Hong Kong's leverage and reverse product market, CSOP plays a leading position with a market share of 99.8% (in terms of average daily turnover) and 98.2% (in terms of scale of AUM).

CSOP is the manager in Hong Kong with the largest proportion in scale under ETF cross-border projects. Its market share in Mainland China-Hong Kong ETF cross-listing is 99%, and the market share in ETF interconnection is 76%. In the "New Capital Investment Entrant Scheme" launched in 2024, CSOP is also the manager with the largest number of ETF types of "permissible financial assets" in Hong Kong. It has a total of 45 permissible assets, including 2 mutual funds, 43 ETFs and leverage and reverse products, covering Hong Kong stocks, A shares, the United States stocks, Japanese stocks, and Southeast Asian stock markets, the United States bonds, virtual assets and other broad markets. Thanks to its excellent product design and strong performance, CSOP has won many awards from various parties at both corporate and product levels, including five awards in the annual awards of "Best of the Best Awards" by Asia Asset Management in 2024, and nine awards in the Offshore China Fund Awards by HKCAMA-Bloomberg in 2023.

China has been accelerating the reforms and opening-up of its financial market in recent years and it is one of the most attractive investment destinations for international investors. CSOP will continue to bridge investment opportunities in China for overseas investors with its innovative fund products and expertise, achieving decent returns for investors and at the same time enhancing its leading position in the RQFII product management sector. The Target Company believes that CSOP will continue to bring solid returns and therefore will hold it as a long-term core holding company.

OPIM Holdings Limited

Date of initial investment: 2008	Type of deal: Core Holding
Equity ownership: 30%	Cost: HK$59.47 million
Carrying value: HK$24.50 million	Location: Hong Kong
	Industry: Financial Services

As at 31 March 2024, the Target Company owned 30% of the issued ordinary shares and 100% of the non-voting preference shares of OPIM, the position of the Target Group in OPIM stood at HK$24.50 million. OPIM managed over 35 funds as at the end of 2022, and the scale of fund managed was over US$1.2 billion.

OPIM is a leading hedge fund platform in Asia serving both global and Asia based managers to develop funds across diversified strategies for institutional and professional investors. It has built a whole ecosystem linking up fund managers, service providers and capital allocators, which enables the managers to launch offshore funds with efficient and affordable structures. With the ecosystem, managers are able to focus on fund performance and build a proven track record for future expansion. OPIM has also built strategic partnerships in Singapore, Europe and Mainland China to continue to increase its customer base and expand the scope of its service offerings to customers.

With the increasing scale of China's private funds in the overseas market, OPIM is expected to maintain the momentum of steady growth in terms of both the number of funds and the overall asset scale. At the same time, China has been accelerating the opening-up of its financial markets, which improves foreign managers' access to the Chinese market and as a result, OPIM is expected to benefit from it. The Target Company believes that OPIM has great potential to continue to grow its business, and therefore will hold it as a long-term core holding company.

Other Unlisted Equity Investment

Apart from long-term core holding, the Target Company's holdings in the other unlisted equity investment category amounted to HK$4,329.53 million as at 31 March 2024. During the Year 2024, the Target Group's new investments in this category amounted to HK$1,707.63 million, and the divestments were HK$156.79 million. In making decisions on either to maintain the holdings for future divestment to benefit from growth of business, or to exit and harvest returns for potential new investments, the Target Group is based on prudent and extensive analysis of market condition and investment projects' prospect.

The major investments are listed as below:

Jiedaibao Limited

Date of initial investment: 2020	Type of deal: Private Equity
Equity ownership: 2.49%	Cost: HK$900.39 million
Carrying value: HK$1,082.13 million	Location: China
	Industry: TMT

In 2020, the Target Company entered into a share purchase agreement with an existing shareholder of Jiedaibao to purchase 1.97% of the shares issued by Jiedaibao at a consideration of HK$700 million. The Target Company subsequently increased its capital by HK$200.39 million in November 2021. As at 31 March 2024, the Target Group's position in Jiedaibao stood at HK$1,082.13 million, representing 2.49% of the shares issued by Jiedaibao.

Founded in 2014, Jiedaibao is an internet fintech company providing services of contract signing, registration and post-loan management for borrowing and lending money between individual users and supply chain finance of corporate users, aiming to solve the financing difficulty problem for individuals as well as micro-, small and medium- sized enterprises ("**SME**"). Jiedaibao strives to be the largest service platform for individual borrowings and corporate supply chain finance in China. The mobile App 借貸寶 ("**借貸寶**"), which is operated by Jiedaibao, mainly provides registration tools for online I Owe You ("**IOU**") issuance and supplementing and relevant value-added services. Adopting AI visual technology, a sound cloud storage system and online payment system, 借貸寶 empowers online borrowing and lending transactions and micro-SME's supply chain finance. The sources of revenue are mainly coming from registration service fee, collection service fee, marketing fee, certification service fee, software development fee and loan interests, etc.

By right of the universality of its function and the business model, 借貸寶 has gained significant market share in Mainland China since its launch 6 years ago. With licenses of online payment, commercial banking and internet microloans, Jiedaibao is building a complete Fintech ecosystem. The Target Company expects the continuously growing business of Jiedaibao would generate considerable medium-term return for the Target Group.

*上海恒嘉美聯發展有限公司("**恒嘉美聯**")*

Date of initial investment: 2022
Equity ownership: 14.9%
Carrying value: HK$432.35 million

Type of deal: Private Equity
Cost: HK$450.00 million
Location: China
Industry: Others

Metaqi Capital Limited, a wholly-owned subsidiary of the Target Company, entered into a capital injection agreement with 恒嘉美聯, with a commitment to a capital contribution of HK$600.00 million to acquire 19.9% of equity interest in 恒嘉美聯. As at 31 March 2024, the Target Group's position in 恒嘉美聯 stood at HK$432.35 million, representing 14.9% of equity interests in 恒嘉美聯.

恒嘉美聯, established in 1999, is a comprehensive group mainly engaged in equity investment, property investment and commodity trading. 恒嘉美聯 focuses on equity investment in financial services and currently holds equity interest in more than ten companies, including 長安基金管理公司 and Yingkou Coastal Bank, all of which have achieved different degrees of increase in value. 恒嘉美聯 also further improves its asset allocation through property investment and international commodity trading business, which are operating well and continue to generate stable income.

Over the past 20 years since its establishment, 恒嘉美聯 has accumulated substantial investment experience and industrial layout capabilities in the fields of finance, property and commodities. With the rapid development of the Chinese economy driven by economic globalization, the Target Group believes that under the background of further liberalization of the financial market, 恒嘉美聯 will usher in new development opportunities, which is expected to bring medium-term returns to the Target Group.

*四川鴻鵠志遠教育管理集團有限公司 ("**鴻鵠教育**")*

Date of initial investment: 2023	Type of deal: Economic Interest
Cost: HK$1,704.86 million	Carrying value: HK$1,632.00 million
Location: China	Sector: Smart Education

The Target Company acquired an economic interest in 29.99% of the equity of鴻鵠教育. Such economic interest comprises entitlement to dividend and a call option to acquire up to 29.99% of the equity of 鴻鵠教育. 鴻鵠教育 focuses on the operation of private high schools, aiming to provide inclusive and high-quality high school education services for students through technology. The first school, 鴻鵠高級中學 in Dazhou City, Sichuan Province, has officially opened in early June 2021. Currently there are three campuses in Dazhou, Ziyang and Chengdu. 鴻鵠教育 adopts the "RAIC (Ruike) model", which includes dual-classes with video lessons and guidance from famous teachers, the artificial intelligence feedback training system, and the innovative model of customised teaching by precise division of disciplines, to provide students with highly personalised and high-quality education experience. As at 31 March 2024, the Target Group's holdings in 鴻鵠教育 amounted to HK$1,632.00 million.

鴻鵠教育 has a sound and efficient organisational system supported by its core research and development department, including 鴻鵠教育科學研究院 and 鴻鵠教育智能資訊中心, and has set up various functional departments such as the Target Group's operation centre, course service centre and teaching quality monitoring centre. 鴻鵠教育科學研究院 is committed to the research and development of teaching content. With a team of highly educated and experienced teaching and research personnel, it produces high-quality teaching courseware and designs teaching plans. 鴻鵠教育智能信息中心 is responsible for the implementation of technology empowerment, accurately matching teaching resources through big data and multidimensional analysis of data, and using artificial intelligence system to conduct accurate analysis of mistakes and push personalised review plans.

The business model of 鴻鵠教育 has grasped the future trend, closely integrated technology with teaching, and has a mature smart classroom model, which provides a competitive advantage for future development. With its excellent technology and R&D team, its business model has passed a small-scale test and will soon enter the stage of large-scale commercial implementation, showing high development potential. The Target Group believes that with the combination of technological strengths and excellent management capabilities, 鴻鵠教育 can expand its campus to different regions in an efficient manner, which is expected to bring medium-term returns to the Target Group.

– *Debt Investment*

As at 31 March 2024, the Target Company's holdings in the debt investment category amounted to HK$3,749.49 million. The Target Group added investments of HK$1,471.95 million and exited from investments amounting to HK$1,054.28 million in total in this category during the Year 2024. At the same time, the Target Group's portfolio of debt instruments recorded provision for expected credit losses ("**ECL**") under HKFRS 9 during the Year 2024.

The Target Group makes investment decisions with the consideration of return, risk and liquidity. During the Year 2024, the interest rate charged for the debt investment, of which the borrowers were mainly investment companies, ranged from 7.00% to 10.00% as compared to 6.00% to 9.00% for the same period last year. The total interest income generated from debt investment was HK$307.66 million with loan tenures ranging from 270 days to 2 years, while the corresponding amount and range for the same period last year were HK$191.40 million and 180 days to 2 years, respectively.

The Target Company maintains regular communication with bond issuers and loan borrowers. As at the end of the Year 2024, management have assessed the repayment ability of the issuers/borrowers for the determination of ECL provisions. The major investments are listed as below:

Hong Kong Nanshan Development Ltd 7.5% 23-05-2024

Date of initial investment: 2023	Type of deal: Bond
Cost: HK$975.00 million	Carrying value: HK$969.59 million
Location: Hong Kong	Sector: Fixed-Income

On 25 May 2023, 30 May 2023, 5 June 2023 and 8 June 2023, the Target Company, through its wholly-owned subsidiary, subscribed the Nanshan Bonds in the respective principal amounts of HK$197,000,000, HK$197,000,000, HK$330,000,000 and HK$251,000,000. The Nanshan Bonds bear interest at the rate of 7.5% per annum and will mature on 23 May 2024. The issuer is Hong Kong Nanshan Development Limited ("**Nanshan Development**") and the guarantor is Nanshan Group Co., Ltd ("**Nanshan Group**").

The long-term credit rating of Nanshan Group was granted an "**AAA**" by China Lianhe Credit Rating Co., Ltd in 2023. As at 31 March 2024, the Target Group's position in Nanshan Bonds amounted to HK$969.59 million.

Founded in 1979, Nanshan Group has formed a multi-industry development pattern led by Nanshan Aluminum, 南山智尚, Yulong Petrochemical, logistics, finance, education, tourism, technology, and healthcare after years of development. As a large-scale integrated group enterprise focusing on aluminum further fabrication in China, Nanshan Group has significant advantages in terms of industry status, completeness of the industrial chain, research and development strength and capacity utilisation level. Nanshan Group is the controlling shareholder of three listed companies, including Shandong Nanshan Aluminum Co., Ltd. (600219.SH), Shandong Nanshan Fashion Sci-tech Co., Ltd (300918.SZ) and Hengtong Logistics Co., Ltd. (603223.AS). The Target Group believes that the interest rate of Nanshan Bonds is generally higher than the time deposit interest rate offered by well-known financial institutions in Hong Kong, which will enable the Target Group to obtain stable returns in the current turbulent economic environment.

– *Fund Investment*

As at 31 March 2024, the Target Company's holdings in the fund investment category amounted to HK$1,755.43 million. The Target Group added investments of HK$489.00 million and exited from investments amounting to HK$1,675.29 million during the Year 2024.

*青島萬峰時代領航股權投資中心 ("**時代領航基金**")*

Date of initial investment: 2022	Type of deal: Fund
Cost: HK$803.08 million	Carrying value: HK$761.54 million
Location: China	Sector: Technology, Media and Telecom ("**TMT**")

In September 2022, the Target Company entered into a partnership agreement with 北京泰合萬峰投資管理有限公司 through its wholly-owned subsidiary, in order to subscribe for the interest in the limited partnership of 時代領航基金. 時代領航基金 mainly invests in the equity of non-listed companies in related industries such as cybersecurity software, the internet, artificial intelligence, integrated circuit, etc. The scope of investment includes products such as primary equity, treasury bond, central bank bills, money market funds. The scale of 時代領航基金 is RMB1.539 billion, with a total of 6 investment projects covering software development, semiconductor, computer and other industries, and the position of the Target Group in 時代領航基金 was HK$761.54 million as at 31 March 2024.

北京泰合萬峰投資管理有限公司, the general partner of 時代領航基金, has extensive experience, deep industry understanding and comprehensive professional technology in private equity investments and capital market. It is able to aggregate quality projects for the fund and facilitate the construction of a broader ecosystem for the invested projects. The "14th Five-Year Plan" has elevated technology and innovation to a crucial position in the whole field of China's modernization, and comprehensively supporting the development of new generation information technology, new materials, high-end equipment, and other emerging industries at the policy level. The Target Group believes that the subscription of the 時代領航基金 will allow the Target Group to participate indirectly in the emerging technology industry investment in China and reduce the risk of direct investment through the professional management of the investment manager, which is expected to bring substantial medium-term returns to the Target Group.

*青島泰合專精特新股權投資中心("**專精特新基金**")*

Date of initial investment: 2022	Type of deal: Fund
Cost: HK$450.23 million	Carrying value: HK$418.28 million
Location: China	Sector: TMT

In July 2022, the Target Company entered into a partnership agreement with 北京泰合萬峰投資管理有限公司 through its wholly-owned subsidiary, in order to subscribe for the interest in the limited partnership of 專精特新基金. 專精特新基金 mainly invests in innovative non-listed companies with distinctive expertise that focus on niche markets, including energy conservation and environmental protection, fintech, new energy, Internet of Things, and other related industries. The scope of investment includes products such as primary equity, bank deposits and money market funds. The scale of 專精特新基金 is RMB801.00 million, with a total of 5 investment projects covering new energy, internet, media, culture, and entertainment and other industries, and the position of the Target Group in 專精特新基金 was HK$418.28 million as at 31 March 2024.

As the fund manager of 專精特新基金, 北京泰合萬峰投資管理有限公司 has obtained the registration of management institutions of privately offered investment funds from Asset Management Association of China in 2015. It has solid experiences and track records in private equity investments, as well as execution experience in business development and management across various industries. Currently, China has been continuously increasing its efforts in nurturing Specialized and Sophisticated SME, which have become an important support for China's manufacture and an essential force for stimulating innovation and optimising ecological industries. Given that 專精特新基金 will invest in Specialized and Sophisticated SME in PRC, the Target Group considered that subscribing 專精特新基金 will provide diversified investment opportunities and potential investment returns from different high growth industries to the Target Group.

*青島東英領航股權投資中心(“**東英領航基金**”)*

Date of initial investment: 2023	Type of deal: Fund
Cost: HK$489.00 million	Carrying value: HK$ 490.04 million
Location: China	Sector: TMT

In 2023, the Target Company, through its wholly-owned subsidiary, invested RMB450.00 million in 東英領航基金 and became a limited partner of the fund. 東英領航基金, with a size of RMB990.00 million, focuses on investment opportunities in advanced manufacturing sectors in China. Key investment areas include unlisted companies in related industries such as new materials, terminal equipment, biotechnology and new-generation information technology. The investment scope includes products such as primary equity and bonds (including convertible bonds).

南方東英股權投資基金管理(深圳)有限公司 is the general partner of 東英領航基金 and has a team with extensive investment experience and industry resources in advanced manufacturing industry. As at 31 March 2024, the Target Group's holdings in 東英領航基金 amounted to HK$490.04 million.

China's advanced manufacturing sector is experiencing rapid technological innovation and market expansion. The research and development and application of new materials are growing, and the high-end equipment manufacturing industry is in a stage of rapid development. The biotechnology industry has a broad market prospect in the medical and life sciences sectors, and the new generation of information technology has had a profound impact on various industries. 東英領航基金 covers these industries with significant growth potential and the Target Group believes that the subscription will provide the Target Group with an opportunity to participate in the future economic growth and benefit from the rapid development of China's advanced manufacturing sector, which is expected to inject new growth momentum into the Target Group's investment portfolio.

– *Listed Equity Investment*

As at 31 March 2024, the Target Company's holdings in the listed equity investment category amounted to HK$217.91 million. During the Year 2024, the Target Company made new investments in and divestments from some listed securities to enhance the capital liquidity and generated returns from capital gains.

Save as disclosed herein, there had been no material change in the development or future development of the Target Group's business and financial position, and no important event affecting the Target Group had occurred since the publication of the Target Company's annual report for the year ended 31 March 2024.

Dividend Policy and Proposed Final Dividend

In considering whether to declare and/or recommend the payment of dividends to the shareholders of the Target Company, the board of the Target Company will take into account factors including but not limited to the Target Group's overall financial position; cash flow; future operating and administrative expenses; future investment plans; the regional and global economic conditions and other factors that may have an impact on the investment market. The board of the Target Company has resolved not to pay any final dividend in respect of the Year 2024 (FY2022/2023: nil).

Liquidity and financial resources

The Target Group's major sources of revenue currently is interest revenue from bank deposits and financial instruments held.

As at 31 March 2024, the Target Group had bank and cash balances of HK$45.01 million (31 March 2023: HK$108.36 million). The Target Group had an aggregate of HK$1,417.41 million loans as at 31 March 2024 (31 March 2023: HK$1,280.39 million), which primarily comprised of bank loans from the Target Group's principal bankers and interest-bearing borrowings from third parties. The debt-to-equity ratio (interest-bearing external borrowings divided by shareholders' equity) stood at 14.30% (31 March 2023: 12.09%) while the debt ratio (total borrowings divided by total assets) was 12.41% (31 March 2023: 11.26%). The current ratio (current assets divided by current liabilities) was 4.35 times (31 March 2023: 4.18 times).

The board of the Target Company believes that operations and borrowing resources are sufficient to provide funding to satisfy the ongoing investment and working capital requirements for the foreseeable future.

Material Acquisitions and Disposals of Investments

The Target Group had the following material acquisitions as well as disposals of investments during the Year 2024.

	New/Additional Investments *(HK$ million)*	Divestment/ Disposal *(HK$ million)*
Unlisted equity investment	1,707.63[1]	(156.79)[5]
Debt investment	1,471.95[2]	(1,054.28)[6]
Fund investment	489.00[3]	(1,675.29)[7]
Listed equity investment	168.90[4]	(450.71)[8]
Total	3,837.48	(3,337.07)

(1) Represents the Target Group's investment in 2 private equity investments during the Year 2024.

(2) Represents the Target Group's 14 debt investments during the Year 2024.

(3) Represents the Target Group's investment in 1 unlisted fund investment during the Year 2024.

(4) Represents the Target Group's investments in 9 listed securities during the Year 2024.

(5) Represents the Target Group's divestment from 3 private equity investments during the Year 2024.

(6) Represents the Target Group's divestment from 6 debt investments during the Year 2024.

(7) Represents the Target Group's divestment from 3 unlisted fund investments during the Year 2024.

(8) Represents the Target Group's divestment from 6 listed securities during the Year 2024.

Exposure to Fluctuations in Exchange Rates and Related Hedges

As at 31 March 2024, the Target Group was exposed to foreign exchange risk arising from financial instruments that are monetary items including certain investments at fair value through profit or loss, debt investment, interest receivables, other receivables, bank balances, borrowings, lease liabilities and other payables (31 March 2023: investments at fair value through profit or loss, interest receivables, loans and other receivables, bank balances, borrowings and lease liabilities and other payables). These assets were denominated in RMB and the maximum exposure to foreign exchange risk was RMB2,632.18 million, equivalent to HK$2,837.35 million (31 March 2023: RMB2,039.41 million, equivalent to HK$2,329.01 million).

As at 31 March 2024, the Target Group held certain financial assets which were denominated in USD. The Board is of the opinion that the Target Group's exposure to USD foreign exchange risk is minimal as HKD is pegged to USD based on the Linked Exchange Rate System in Hong Kong.

Charges on the Target Group's Assets and Contingent Liabilities

As at 31 March 2024, save as certain listed securities of the Target Group being used to secure the Target Group's margin securities trading and certain interests in associates and part of bank time deposit are pledged for the Target Group's bank loan, there were no charges on the Target Group's assets.

Employees

As of 31 March 2024, the Target Group had 32 employees (31 March 2023: 33), inclusive of all Directors of the Target Company and its subsidiaries. Total staff costs for the Year 2024 amounted to HK$16.10 million (FY2022/2023: HK$17.03 million). The Target Group's remuneration policies are in line with market practices and are determined on the basis of the performance and experience of individual employees. During the Year 2024, the board of the Target Company did not grant any share option under the Target Company's share option scheme to any Target Directors or eligible employees of the Target Group and there were no granted share options exercised (FY2022/2023: nil). As at 31 March 2024, there were nil (31 March 2023: nil) share options that remained outstanding under the share option scheme.

During the years ended 31 March 2023 and 2024, there were no contributions forfeited by the Target Group on behalf of its employees who leave the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 March 2023 and 2024, no forfeited contributions were available for utilization by the Target Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix 16 to the Listing Rules.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THEIR EXPECTED SOURCES OF FUNDING

As at 31 March 2024, there were no plans for material investments or capital assets, but the Target Group may, at any point, be negotiating potential investments. The Target Company considers new investments as part of its daily business, and therefore management may publicly announce these plans as they become necessarily disclosable to shareholders during the course of the financial year.

(A) INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The accompanying unaudited pro forma financial information of the Group (the "**Unaudited Pro Forma Financial Information**") has been prepared to illustrate the effect of the proposed acquisition of the 26.15% equity interest in Wealthink AI-Innovation Capital Limited (the "**Acquisition**") might have affected the financial information of the Group.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and statement of cash flows of the Group for the year ended 31 March 2024 are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group for the year ended 31 March 2024 as extracted from the annual report of the Company for the year ended 31 March 2024 as if the Acquisition had been completed on 1 April 2023.

The unaudited pro forma consolidated statement of financial position of the Group as at 31 March 2024 is prepared based on the audited consolidated statement of financial position of the Group as at 31 March 2024 as extracted from the annual report of the Company for the year ended 31 March 2024 as if the Acquisition had been completed on 31 March 2024.

The Unaudited Pro Forma Financial Information is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Unaudited Pro Forma Financial Information, it may not give a true picture of the actual financial position, results of operation or cash flows of the Group that would have been attained had the Acquisition actually occurred on the dates indicated herein. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Group's future financial position, results of operation or cash flows.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in Appendix I of the Circular and other financial information included elsewhere in the Circular.

(B) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE GROUP AS AT 31 MARCH 2024

	Consolidated statement of financial position of the Group as at 31 March 2024	Pro forma adjustments			Unaudited pro forma consolidated statement of financial position of the Group as at 31 March 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
Non-current assets					
Property and equipment and right-of-use assets	14,630	–	–	–	14,630
Loan receivables	13,500	–	–	–	13,500
Other non-current assets	7,294	–	–	–	7,294
Investments at fair value through profit or loss ("**FVTPL**")	79,769	–	–	–	79,769
Interests in associates	112,898	166,626	41,957	2,678,963	3,000,444
	228,091	166,626	41,957	2,542,942	3,115,637
Current assets					
Investments at FVTPL	173,504	–	(41,957)	–	131,547
Loan and trade receivables	99,997	–	–	–	99,997
Contract assets	17	–	–	–	17
Other receivables, deposits and prepayments	24,436	–	–	–	24,436
Current tax assets	151	–	–	–	151
Bank balances and cash – trust	276,738	–	–	–	276,738
Bank balances and cash – general	289,257	–	–	(640)	288,617
	864,100	–	(41,957)	(640)	821,503
Current liabilities					
Trade payables	276,025	–	–	–	276,025
Other payables and accruals	4,505	–	–	–	4,505
Lease liabilities	7,217	–	–	–	7,217
Corporate bonds	2,062	–	–	–	2,062
Current tax liabilities	843	–	–	–	843
	290,652	–	–	–	290,652
Net current assets	573,448	–	(41,957)	(640)	530,851
Total assets less current liabilities	801,539	166,626	–	2,678,323	3,646,488

	Consolidated statement of financial position of the Group as at 31 March 2024	Pro forma adjustments			Unaudited pro forma consolidated statement of financial position of the Group as at 31 March 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
Non-current liabilities					
Lease liabilities	14,696	–	–	–	14,696
Net assets	786,843	166,626	–	2,678,323	3,631,792
Capital and reserves					
Share capital	632,625	34,005	–	–	666,630
Reserves	154,218	132,621	–	2,678,323	2,965,162
Total equity	786,843	166,626	–	2,678,323	3,631,792

(C) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2024

	Consolidated statement of profit or loss and and other comprehensive income of the Group for the year ended 31 March 2024	Pro forma adjustments		Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 March 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 5)*	*(Note 6)*	
Revenue	49,456	–	–	49,456
Net (losses)/gains on investments at FVTPL	(3,481)	–	13,413	9,932
Cost of brokerage and other services	(20,719)	–	–	(20,719)
Other income, net	17,672	–	–	17,672
Expected credit losses ("**ECL**") on loan and trade receivables	(6,034)	–	–	(6,034)
Impairment loss of right-of-use assets	(6,140)	–	–	(6,140)
Staff costs	(35,734)	–	–	(35,734)
Other operating expenses	(21,169)	–	–	(21,169)
Finance costs	(2,002)	–	–	(2,002)
Share of (losses)/profits of associates	(2,483)	14,175	–	11,692
Loss before tax	(30,634)	14,175	13,413	(3,046)
Income tax expense	(45)	–	–	(45)
	(30,679)	14,175	13,413	(3,091)
Other comprehensive expense:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(1,934)	–	–	(1,934)
Share of other comprehensive expense of associates	(4,506)	(40,102)	–	(44,608)
Other comprehensive expense for the year, net of tax	(6,440)	(40,102)	–	(46,542)
Total comprehensive expense for the year	(37,119)	(25,927)	13,413	(49,633)

(D) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE GROUP FOR THE YEAR ENDED 31 MARCH 2024

	Consolidated statement of cash flows of the Group for the year ended 31 March 2024		Pro forma adjustments			Unaudited pro forma consolidated statement of cash flows of the Group for the year ended 31 March 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 4)*	*(Note 5)*	*(Note 6)*	*(Note 7)*	
CASH FLOWS FROM OPERATING ACTIVITIES						
Loss before tax	(30,634)	–	14,175	13,413	–	(3,046)
Adjustments for:						
Impairment loss of right-of-use assets	6,140	–	–	–	–	6,140
Gain on bargain purchase of an associate	(9,676)	–	–	–	–	(9,676)
Depreciation	1,888	–	–	–	–	1,888
Finance costs	2,002	–	–	–	–	2,002
Interest revenue	(13,293)	–	–	–	–	(13,293)
ECL on loan and trade receivables, net	6,034	–	–	–	–	6,034
Net (losses)/gains on investments at FVTPL	3,481	–	–	(13,413)	–	(9,932)
Share of losses/(profits) of associates	2,483	–	(14,175)	–	–	(11,692)
Equity-settled share-based payments	306	–	–	–	–	306
Operating loss before working capital changes	(31,269)	–	–	–	–	(31,269)
Change in trade and other receivables	(89,425)	–	–	–	–	(89,425)
Change in bank balances and cash – trust	(139,836)	–	–	–	–	(139,836)
Change in trade payables, other payables and accruals	138,848	–	–	–	–	138,848
Cash used in operations	(121,682)	–	–	–	–	(121,682)
Income tax paid	(36)	–	–	–	–	(36)
NET CASH USED IN OPERATING ACTIVITIES	(121,718)	–	–	–	–	(121,718)

	Consolidated statement of cash flows of the Group for the year ended 31 March 2024	Pro forma adjustments				Unaudited pro forma consolidated statement of cash flows of the Group for the year ended 31 March 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 4)*	*(Note 5)*	*(Note 6)*	*(Note 7)*	
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	7,259	–	–	–	–	7,259
Acquisition of associates	(10,564)	–	–	–	(45,538)	(56,102)
Transaction costs on the Acquisition	–	(640)	–	–	–	(640)
Proceeds from disposal of investments at FVTPL	4,319	–	–	–	–	4,319
Purchases of investments at FVTPL	(189,582)	–	–	–	45,538	(144,044)
NET CASH USED IN INVESTING ACTIVITIES	(188,568)	(640)	–	–	–	(189,208)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayment of corporate bonds	(28,100)	–	–	–	–	(28,100)
Repayment of lease liabilities	(6,319)	–	–	–	–	(6,319)
Proceeds from issue of shares	527,187	–	–	–	–	527,187
Interests paid	(3,039)	–	–	–	–	(3,039)
NET CASH GENERATED FROM FINANCING ACTIVITIES	489,729	–	–	–	–	489,729
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	179,443	(640)	–	–	–	178,803
Effect of foreign currency translation	(1,934)	–	–	–	–	(1,934)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	111,748	–	–	–	–	111,748
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash – general	289,257	(640)	–	–	–	288,617

(E) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

(1) The consolidated statement of financial position of the Group as at 31 March 2024, the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows of the Group for the year ended 31 March 2024 are extracted without adjustment from the annual report of the Company for the year ended 31 March 2024 respectively.

(2) The adjustment represents the Acquisition of 26.15% of the entire issued capital of the Target Company (the "**Equity Interest**") amounting to HK$166,626,000, which is satisfied by issuance of 340,053,151 Consideration Shares at the market price of HK$0.49. The market price represented the closing price at 31 March 2024. The directors of the Company consider the closing price at 31 March 2024 is more appropriate to illustrate the effect of the Acquisition. The aggregate nominal value of share capital for the Consideration Shares is approximately HK$34,005,000.

The Equity Interest will be classified as interest in an associate.

(3) As at 31 March 2024, the Group is beneficially interested in 313,115,385 Target Shares (representing approximately 2.98% of the entire issued share of the Target Company), this investment was classified as investments at FVTPL of HK$41,957,000. Upon Completion, the Group will be beneficially interested in 3,064,454,515 Target Shares (representing approximately 29.13% of the entire issued share of the Target Company). Hence, the investment is reclassification from investments at FVTPL to interests in associates.

(4) The adjustment reflects the gain on bargain purchase arisen from the Acquisition of approximately HK$2,678,323,000, as if the Acquisition had been completed on 31 March 2024 as follows:

	HK$'000
Share consideration (above note 2)	166,626
Estimated transaction costs directly attributable to the Acquisition *(note ii)*	640
Interest in associates with approximately 2.98% equity interest of Target Company	41,957
Share of net assets of Target Group as at 31 March 2024 *(note i)*	(2,887,546)
The gain on bargain purchase arisen from the Acquisition *(note iii)*	(2,678,323)

Note (i):

	HK$'000
The fair value of the identifiable assets and liabilities of Target Group as at 31 March 2024	9,912,620
Total equity interest of Target Company as at 31 March 2024	29.13%
Share of net assets of Target Group as at 31 March 2024	2,887,546

Note (ii):

The amount represents estimated transaction fees directly attributable to the Acquisition, such as fee incurred for legal and professional service, amounting to approximately HK$640,000 and assumed to be fully settled by cash on 31 March 2024 and 1 April 2023.

This adjustment on transaction costs is not expected to have continuing effect.

Note (iii):

In the opinion of the directors of the Company, due to the Vendor is a substantial shareholder of the Company, the Acquisition is classified as equity transaction. Hence, the premium arisen from the Acquisition is recognised in equity.

(5) The adjustment reflects the inclusion of share of profits and other comprehensive income resulting from the transfer of the Target Shares as if the Acquisition had been completed on 1 April 2023.

As at 1 April 2023, the Group is beneficially interested in 28,500,000 Target Shares, representing approximately 0.27% of the entire issued share of the Target Company. The Group acquired addition 284,615,385 Target Shares at 27 March 2024, representing approximately 2.71% of the entire issued share of the Target Company. If the Acquisition (being 2,751,339,130 Target Shares, representing approximately 26.15% of the entire issued share of the Target Company) had been completed on 1 April 2023, the Group is beneficially interested in 2,779,839,130 Target Shares, representing approximately 26.42% of the entire issued share of the Target Company. The directors of the Company assuming that there is no effect on the share of profits and other comprehensive income for the addition approximately 2.71% of the entire issued share of the Target Company as the date is very close to the year ended 31 March 2024. For the purpose of the Unaudited Pro Forma Financial Information and for illustrative purpose only, the Group shares approximately 26.42% Target Group's profits of approximately HK$14,175,000 and other comprehensive expense of approximately HK$40,102,000 if the Acquisition had been completed on 1 April 2023.

This pro forma adjustment is expected to have a continuing effect.

(6) The adjustment reflects the reversal of the fair value changes recognized for the investment of approximately 2.98% of the entire issued share of the Target Company as if the Acquisition had been completed on 1 April 2023.

This pro forma adjustment is not expected to have a continuing effect.

(7) The adjustment reflects the reclassification on the nature of the acquisition of approximately 2.71% of the entire issued share of the Target Company from purchases of investments at FVTPL to acquisition of associates as if the Acquisition had been completed on 1 April 2023.

ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.

中汇
ZHONGHUI

ZHONGHUI ANDA CPA Limited
Certified Public Accountants

17 September 2024

The Board of Directors
GoFintech Innovation Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of GoFintech Innovation Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 March 2024, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2024, the unaudited pro forma consolidated statement of cash flows for the year ended 31 March 2024 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages V-2 to V-9 of the circular issued by the Company dated 17 September 2024 (the "**Circular**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages V-2 to V-9 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed acquisition of approximately 26.15% equity interest in Wealthink AI-Innovation Capital Limited (the "**Acquisition**") on the Group's financial position as at 31 March 2024 as if the Acquisition had been taken place at 31 March 2024, and on the Group's financial performance and cash flows for the year ended 31 March 2024 as if the Acquisition had been taken place at 1 April 2023. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's consolidated financial statements as included in the annual report for the year ended 31 March 2024, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 1 April 2023 and 31 March 2024 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Yeung Hong Chun
Practising Certificate Number P07374
Hong Kong, 17 September 2024

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (A) as at the Latest Practicable Date; and (B) immediately following the completion of the Acquisition and the allotment and issuance of all of the Consideration Shares (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the completion of the Acquisition and the allotment and issuance of all of the Consideration Shares (other than the allotment and issuance of the Consideration Shares)) are as follows:

(A) As at the Latest Practicable Date:

Authorised:	*HK$*
20,000,000,000 Shares of HK$0.10 each	2,000,000,000.0
Issued and fully paid:	
7,118,421,848 Shares of HK$0.10 each	711,842,184.8

(B) immediately following the completion of the Acquisition and the allotment and issuance of all of the Consideration Shares (assuming there is no change in the issued share capital of the Company from the Latest Practicable Date to the completion of the Acquisition and the allotment and issuance of all of the Consideration Shares (other than the allotment and issuance of the Consideration Shares)):

Authorised:	*HK$*
20,000,000,000 Shares of HK$0.10 each	2,000,000,000.0
Issued and fully paid:	
7,118,421,848 Shares of HK$0.10 each	711,842,184.8
340,053,151 Consideration Shares to be allotted and issued of HK$0.10 each	34,005,315.1
7,458,474,999 Issued Shares immediately upon completion of the Acquisition	745,847,499.9

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Consideration Shares (when allotted and issued) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issuance of the Consideration Shares. Holders of the Consideration Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Consideration Shares.

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares to be issued will be listed on the Stock Exchange.

3. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and the chief executive of the Company in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**") contained in the Listing Rules, were as follows:

(i) Long Positions in the Shares and underlying Shares of the Company

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of Shares/ underlying Shares *(note 3)*	Approximate percentage of the issued share capital of the Company *(note 1)*
Ms. SUN Qing *(Executive Director)*	Beneficial owner	10,248,000 *(note 4)*	0.144%
Mr. CHAN Kin Sang *(Independent Non-executive Director)*	Beneficial owner	512,000	0.007%
Mr. Chiu Kung Chik *(Independent Non-executive Director)*	Beneficial owner	512,000	0.007%
Ms. LUI Mei Ka *(Independent Non-executive Director)*	Beneficial owner	512,000	0.007%
Mr. ZHANG Huachen *(Co-Chief Executive Officer)*	Beneficial owner	38,080,000 *(note 5)*	0.535%
Mr. YUAN Tianfu *(Co-Chief Executive Officer)*	Beneficial owner	38,080,000 *(note 6)*	0.535%
Mr. LIU Haoyuan *(Chief Operating Officer) (note 2)*	Beneficial owner	6,080,000	0.085%

Notes:

(1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 7,118,421,848 Shares as at the Latest Practicable Date.

(2) Mr. LIU Haoyuan is the former executive Director and also the son of Dr. LIU Zhiwei, who is a substantial Shareholder (as defined under the Listing Rules) and also the former chairman of the Board and a former executive Director.

(3) For the avoidance of doubt, the number of Shares set out herein are all underlying Shares, and unless otherwise specified in these notes, all underlying Shares indicated are share awards granted to the named Director(s) or Chief Executive(s) pursuant to the share award scheme of the Company effective on 3 June 2024 (the "**SAS**").

(4) These 10,248,000 underlying Shares are beneficially owned by Ms. SUN Qing and amongst which, 6,080,000 underlying Shares represent the share awards granted under the SAS, and 4,168,000 underlying Shares represent the share options granted under the share option scheme of the Company (the "**SOS**") terminated on 29 May 2024 (the "**Termination**"), with such share options granted prior to the Termination continue to be valid and exercisable in accordance with the rules of the SOS.

(5) These 38,080,000 underlying Shares are beneficially owned by Mr. ZHANG Huachen and amongst which, 6,080,000 underlying Shares represent the share awards granted under the SAS, and 32,000,000 underlying Shares represent the share options granted under the SOS, with such share options granted prior to the Termination continue to be valid and exercisable in accordance with the rules of the SOS.

(6) These 38,080,000 underlying Shares are beneficially owned by Mr. YUAN Tianfu and amongst which, 6,080,000 underlying Shares represent the share awards granted under the SAS, and 32,000,000 underlying Shares represent the share options granted under the SOS, with such share options granted prior to the Termination continue to be valid and exercisable in accordance with the rules of the SOS.

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

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors and the chief executive, as at the Latest Practicable Date, the following person (not being Director or chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

(i) Long positions in Shares

Name of Shareholders	Capacity	Number of Shares/underlying shares held	Approximate percentage of the issued share capital of the Company *(note 1)*
Dr. LIU Zhiwei	Beneficial owner	1,244,258,000	17.48%
Mr. Wang Tao	Beneficial owner	1,134,374,308	15.94%

Note: The percentage of shareholding was calculated on the basis of the Company's issued share capital of 7,118,421,848 Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. DIRECTORS' COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, controlling shareholder of the Company nor their respective close associates (as defined in the Listing Rules) had any interest in a business, which competes or may compete, either directly or indirectly, with the business of the Group or any other conflict of interest which any such person has or may have with the Group which would be required to be disclosed pursuant to the Listing Rules.

5. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased, or which were proposed to be acquired, disposed of by or leased to any member of the Group since 31 March 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the businesses of any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against any member of the Group.

8. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

9. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) had been entered into by the members of the Group within two years preceding the Latest Practicable Date and are, or may be, material:

(a) the placing agreement dated 28 December 2022 entered into between the Company and Fortune (HK) Securities Limited (as the placing agent) on the placing of a maximum of 219,661,577 new Shares;

(b) the subscription agreement dated 7 August 2023 entered into between the Company as issuer and Mr. Wang Tao (as subscriber) on the subscription of a total number of 263,593,577 Shares;

(c) the placing agreement dated 17 October 2023 entered into between the Company and Fortune (HK) Securities Limited (as the placing agent) with respect to a rights issue on the basis of three (3) rights Shares ("**Rights Shares**") for every one (1) existing Share (the "**Rights Issue**") for the placing of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (as first defined in the announcement of the Company dated 17 October 2023) in the maximum number of 4,744,684,386 rights Shares (as disclosed in the announcement of the Company dated 7 February 2024, Fortune (HK) Securities Limited had at last placed 2,377,299,720 Unsubscribed Rights Shares, representing approximately 50.10% of the total number of Rights Shares offered under the Rights Issue);

(d) the placing agreement dated 28 June 2024 entered into between the Company and Fortune (HK) Securities Limited (as the placing agent) on the placing of a maximum of 316,312,292 new Shares; and

(e) the Sale and Purchase Agreement.

10. EXPERT AND CONSENT

The following is the qualification of the expert who has provided its advice, which is contained in this circular:

Name	**Qualification**
Draco Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, the Sale and Purchase Agreement and the transactions contemplated thereunder
ZHONGHUI ANDA CPA Limited ("**ZHA**")	Certified Public Accountant and Registered Public Interest Entity Auditor

As at the Latest Practicable Date, each of ZHA and the Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name in the form and context in which they are included.

As at the Latest Practicable Date, ZHA and the Independent Financial Adviser were not beneficially interested in the share capital of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which had been, since the date to which the date to which the latest published audited consolidated financial statements of the Group were made up (i.e. 31 March 2024), acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to any member of the Group.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.290.com.hk) for 14 days from the date of this circular:

(a) the letter from the Board, the text of which is set out on pages 6 to 24 of this circular;

(b) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages IBC-1 to IBC-2 of this circular;

(c) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages IFA-1 to IFA-26 of this circular;

(d) the accountants' report on the Target Group issued by ZHONGHUI ANDA CPA CPA Limited, the text of which is set out in Appendix II to this circular;

(e) the report on the unaudited pro forma financial information of the Enlarged Group issued by ZHONGHUI ANDA CPA Limited as set out in Appendix V to this circular;

(f) the written consents referred to in the paragraph headed "10. Experts and consents" in this appendix; and

(g) the Sale and Purchase Agreement.

12. MISCELLANEOUS

(a) Ms. YAN Xin is the company secretary of the Company ("**Ms. Yan**"). Ms. Yan holds a master's degree in Corporate Governance and Compliance from Hong Kong Baptist University. She has over 10 years of experience in company secretarial, corporate governance and corporate finance matters. Ms. Yan is an associate member of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom.

(b) As at the Latest Practicable Date, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

(c) As at the Latest Practicable Date, the Company has no significant exposure to foreign exchange liabilities.

(d) The registered address of the P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

(e) The business address of all Directors and authorised representatives of the Company is Units No. 4102-06, 41/F COSCO Tower, 183 Queen's Road Central, Hong Kong.

(f) The English text of this circular and the accompanying form of proxy shall prevail over their respective Chinese text in case of inconsistency.

GoFintech Innovation Limited
國富創新有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

Website: https://290.com.hk

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of GoFintech Innovation Limited (the "**Company**") will be held at Units No. 4102-06, 41/F, COSCO Tower, 183 Queen's Road Central, Hong Kong on Friday, 4 October 2024 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as the ordinary resolution of the Company (unless otherwise indicated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 17 September 2024 (the "**Circular**")):

ORDINARY RESOLUTION

1. "**THAT**:

(a) the Sale and Purchase Agreement (as defined in the circular dated 17 September 2024 despatched to the shareholders of the Company (the "**Circular**"), a copy of which has been produced to the EGM marked "A" and signed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(b) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited having granted approval for the listing of, and permission to deal in the Consideration Shares (as defined in the Circular), the grant of a specific mandate (the "**Specific Mandate**") which shall entitle the directors of the Company (the "**Directors**") to exercise all the powers of the Company to allot and issue the Consideration Shares (as defined in the Circular) to the Vendor (as defined in the Circular) (or as it may direct) pursuant to the terms and conditions of the Sale and Purchase Agreement be and is hereby approved, provided that the Specific Mandate shall be in addition to, and shall not prejudice nor revoke any general or specific mandate(s) which has/have been granted or may from time to time be granted to the Directors by the shareholders of the Company prior to the passing of this resolution; and

(c) the Directors be and are hereby authorised to, on behalf of the Company, do all such acts and things, sign and execute (whether under common seal of the Company or otherwise) such documents or agreements or deeds and take all such steps and actions as they may in their absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder and agree to such variation, amendment or waiver as are, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole.”

By order of the Board
GoFintech Innovation Limited
CHAN Kin Sang
Chairman and Independent Non-executive Director

Hong Kong, 17 September 2024

Registered office:
P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Head office and principal place of business in Hong Kong:
Units No. 4102-06
41/F COSCO Tower
183 Queen’s Road Central
Hong Kong

Notes:

1. A form of proxy for use at the EGM or any adjournment thereof is enclosed. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

2. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.

3. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F. Two Chinachem Exchange Square 338 King’s Road North Point, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he/she/it so wish.

4. In order to determine the eligibility of the Shareholders to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration by no later than 4:00 p.m. on Friday, 27 September 2024. Shareholders whose names appear on the register of members of the Company on Friday, 27 September 2024 are entitled to attend and vote at the EGM.

5. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.

6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

7. Pursuant to Rule 13.39(4) of the Listing Rules, all resolution at the EGM will be conducted by way of a poll.

8. Where a "black" rainstorm warning is in force or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted or "extreme conditions" caused by super typhoons is in force at 8: 00 a.m. on the date of the EGM, the EGM will be postponed. The Company will publish an announcement on the Company's website at https://www.cffg.com.hk/ and the website of Hong Kong Exchanges and Clearing Limited at http://www.hkexnews.hk to notify members of the date, time and place of the rescheduled EGM.

As at the date of this notice, the Board consists of one executive Director, namely Ms. SUN Qing; three non-executive Directors, namely Dr. NIE Riming, Mr. LI Chunguang, and Mr. HUA Yang; and three independent non-executive Directors, namely Mr. CHAN Kin Sang, Mr. CHIU Kung Chik, and Ms. LUI Mei Ka.