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CENTURY PLAZA HOTEL GROUP

(FORMERLY KNOWN AS GREATWALLE INC.)

新都酒店集團

(原名為長城匯理公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8315)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

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*This announcement, for which the directors (the “**Directors**”) of Century Plaza Hotel Group (the “**Company**”, and together with its subsidiaries, the “**Group**”, “**we**” or “**our**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.*

ANNUAL RESULTS

The Board of Directors (the “**Board**”) of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2024 together with the comparative figures for the year ended 31 March 2023.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

Year ended 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	54,600	81,021
Cost of sales and services		<u>(57,464)</u>	<u>(76,678)</u>
Gross (loss)/profit		(2,864)	4,343
Other income and gains, net	4	12,026	3,017
Administrative expenses		(20,007)	(20,689)
Impairment losses on property, plant and equipment		(3,411)	–
Net impairment losses on financial assets		<u>(4,384)</u>	<u>(339)</u>
Operating loss		(18,640)	(13,668)
Finance costs	5	<u>(1,848)</u>	<u>(2,830)</u>
Loss before income tax	6	(20,488)	(16,498)
Income tax expense	7	<u>–</u>	<u>(20)</u>
Loss for the year		(20,488)	(16,518)
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange difference on translation of foreign operations		<u>(1,783)</u>	<u>(4,652)</u>
Other comprehensive loss		<u>(1,783)</u>	<u>(4,652)</u>
Total comprehensive loss for the year		<u>(22,271)</u>	<u>(21,170)</u>
Loss for the year attributable to:			
– Owners of the Company		(16,938)	(16,315)
– Non-controlling interests		<u>(3,550)</u>	<u>(203)</u>
		<u>(20,488)</u>	<u>(16,518)</u>
Total comprehensive loss for the year attributable to:			
– Owners of the Company		(18,885)	(20,943)
– Non-controlling interests		<u>(3,386)</u>	<u>(227)</u>
		<u>(22,271)</u>	<u>(21,170)</u>
Loss per share for loss attributable to owners of the Company		<i>HK cents</i>	<i>HK cents</i>
– Basic and diluted	8	<u>(2.91)</u>	<u>(2.81)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		16,143	12,634
Other intangible assets		–	–
		<hr/>	<hr/>
Total non-current assets		16,143	12,634
Current assets			
Inventories		211	–
Trade receivables	9	3,413	9,904
Prepayment, deposits and other receivables	9	4,606	5,877
Amounts due from related parties		8,277	1,806
Cash and cash equivalents		9,728	40,917
		<hr/>	<hr/>
		26,235	58,504
Non-current assets held for sale		–	3,524
		<hr/>	<hr/>
Total current assets		26,235	62,028
		<hr/>	<hr/>
Total assets		42,378	74,662
		<hr/> <hr/>	<hr/> <hr/>
LIABILITIES			
Non-current liabilities			
Lease liabilities		10,215	8,999
		<hr/>	<hr/>
Total non-current liabilities		10,215	8,999
		<hr/>	<hr/>
Current liabilities			
Trade payables	10	1,316	1,918
Accrued expenses and other payables	10	15,425	15,755
Contract liabilities		148	–
Loan from a related party		25	13
Amounts due to related parties		9,556	7,120
Lease liabilities		2,196	5,155
Promissory note payable	11	8,668	18,750
Borrowings	12	7,213	7,187
		<hr/>	<hr/>
Total current liabilities		44,547	55,898
		<hr/>	<hr/>
Total liabilities		54,762	64,897
		<hr/> <hr/>	<hr/> <hr/>

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Net current (liabilities)/assets	<u>(18,312)</u>	<u>6,130</u>
Net (liabilities)/assets	<u><u>(12,384)</u></u>	<u><u>9,765</u></u>
Equity		
Equity attributable to owners of the Company		
Share capital	29,072	29,072
Reserves	<u>(35,137)</u>	<u>(16,252)</u>
	(6,065)	12,820
Non-controlling interests	<u>(6,319)</u>	<u>(3,055)</u>
Total (deficit)/equity	<u><u>(12,384)</u></u>	<u><u>9,765</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 March 2024

1. GENERAL INFORMATION

Century Plaza Hotel Group (formerly known as Greatwalle Inc.) (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability on 2 January 2014. The Company’s registered office is located at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. Its principal place of business is located at Unit 3502, 35/F, The Infinitus Plaza, 199 Des Voeux Road Central, Sheung Wan, Hong Kong.

The Company’s shares were listed on GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 20 August 2014.

The principal activity of the Company is investment holding and the principal activities of its subsidiaries (together with the Company hereinafter referred to as the “**Group**”) are provision of security guarding, property management and human resources services, provision of asset management services and provision of hospitality catering and beverage services.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

Going concern

The Group reported a net loss of approximately HK\$20,488,000 and had a net operating cash outflow of approximately HK\$16,127,000 for the year ended 31 March 2024. In addition, the Group’s current liabilities exceeded its current assets by approximately HK\$18,312,000 and it had a deficits in equity of approximately HK\$12,384,000 as at 31 March 2024. As at the same date, included in its current liabilities were borrowings and promissory note payable totalling approximately HK\$15,881,000, while its cash and cash equivalents amounted to approximately HK\$9,728,000 only. In relation to the promissory note payable, the total outstanding principals and accrued interests amounted to approximately HK\$8,668,000 were in default as at 31 March 2024, of which a winding-up petition was presented by the promissory note holder to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region on 14 August 2024 in an aggregate amount of approximately HK\$8,960,000 and was pending court hearing. On 27 September 2024, the Company and the promissory note holder had taken out a consent summon to apply for leave to withdraw the winding-up petition.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 31 March 2024. The directors of the Company are of the opinion that, taking into account the following plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from 31 March 2024.

- (i) Subsequent to 31 March 2024, the Group evaluated its business performances and streamlined certain loss-making subsidiaries;
- (ii) On 15 August 2024, the Group entered into an extension agreement with the holder of the debentures amounted to approximately HK\$7,213,000 and the maturity date of the debentures was extended to 15 July 2026;
- (iii) On 23 September 2024, the Group entered into a memorandum of deed of waiver with the promissory note holder and pursuant to which all obligations and liabilities for the outstanding principal and related interests of the promissory note payable were discharged. On 27 September 2024, the Group and the promissory note holder had taken out a consent summon to apply for leave to withdraw the winding-up petition;
- (iv) The Group is actively exploring for new business opportunities with strong profitability and continues to strengthen its operation and management to improve operational efficiency; and
- (v) Shenzhen Huili Jiu Hao Investment Consulting Enterprise Limited Partnership, an intermediate holding company, had issued a letter to the Group and agreed to provide financial support to the Group for a period up to 30 September 2025 to enable the Group to meet its liabilities and obligations as and when they fall due and to carry on its business without a significant curtailment of operations.

In the opinion of the directors of the Company, in light of the above plans and measures, the Group will have sufficient working capital to fulfil its financial obligations as and when they fall due in the coming twelve months from 31 March 2024. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainty exists as to whether management of the Group can achieve the plans and measures described in (iv) to (v) above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to implement the business plan(s) to generate operating cash inflows and to obtain the financial support from an intermediate holding company as and when needed.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

(a) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for the first time for their annual reporting period commencing 1 April 2023:

HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies (Amendments)
HKAS 8	Definition of Accounting Estimates (Amendments)
HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction (Amendments)
HKAS 12	International Tax Reform – Pillar Two Model Rules (Amendments)
HKFRS 17	Insurance Contracts
HKFRS 17	Amendments to HKFRS 17
HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

The adoption of these new and amended standards has had no significant impact on the results and financial position of the Group. The Group has not changed significantly on its material accounting policies or make retrospective adjustments as a result of adopting these new standards and amendments.

(b) New standards, amendments to existing standards and interpretations not yet adopted

The following new standards, amendments to existing standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 1	Classification of Liabilities as Current or Non-current (Amendments)	1 April 2024
HKAS 1	Non-current Liabilities with Covenants (Amendments)	1 April 2024
HKFRS 16	Lease Liability in a Sale and Leaseback (Amendments)	1 April 2024
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 April 2024
HKAS 7 and HKFRS 7	Supplier Finance Arrangements (Amendments)	1 April 2024
HKAS 21	Lack of Exchangeability (Amendments)	1 April 2025
HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (Amendments)	1 April 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 April 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 April 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	To be determined

In July 2024, HKICPA issued HKFRS 18 which is effective for the Group's annual reporting periods beginning on or after 1 April 2027, with early application permitted. HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information. The Group is currently assessing the impact of applying HKFRS 18 on the presentation and the disclosures of the consolidated financial statements.

There are no other new standards, amendments and interpretation that are not yet effective and that would be expected to have a material impact on the Group's consolidated financial statements. The Group will adopt the above new standards, amendments to existing standards and interpretations when they become effective.

3. REVENUE AND SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers (“CODM”) that are used to make strategic decisions. The chief operating decision-makers have been identified as the Company's executive Directors.

During the year ended 31 March 2024, one of the Group's operating segments was renamed to include the human resources business with security guarding and property management, forming the “security guarding, property management and human resources” segment to align with strategic development. In addition, the Group operated a Chinese restaurant and rendered hospitality catering and beverage services which is considered as a new operating and reportable segment by the CODM.

Operating segments are reported in manner consistent with the internal reporting to the Group's key management personnel as follows:

- (a) Security guarding, property management and human resources segment involves provision of security guarding, property management and human resources services;
- (b) Asset management segment involves provision of business advisory and asset management services; and
- (c) Hospitality catering and beverage services involves operation of a Chinese restaurant.

The executive directors monitor the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment loss, which is a measure of adjusted loss before income tax.

The adjusted loss before income tax is measured consistently with the Group's loss before income tax except that finance costs, corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude certain corporate cash and cash equivalents and corporate and other unallocated assets as these assets are managed on a group basis. Segment liabilities exclude promissory note payable, borrowings and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

Information provided to the executive directors is measured in a manner consistent with that of the consolidated financial information.

	Security Guarding, Property Management and Human Resources		Asset Management		Hospitality Catering and Beverage Services		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	<u>51,002</u>	<u>80,412</u>	<u>465</u>	<u>609</u>	<u>3,133</u>	<u>–</u>	<u>54,600</u>	<u>81,021</u>
Segment results	<u>(3,426)</u>	<u>(3,515)</u>	<u>(8,233)</u>	<u>(6,847)</u>	<u>(2,407)</u>	<u>–</u>	<u>(14,066)</u>	<u>(10,362)</u>
Corporate and other unallocated expenses							<u>(4,574)</u>	<u>(3,306)</u>
Finance costs							<u>(1,848)</u>	<u>(2,830)</u>
Loss before income tax							<u>(20,488)</u>	<u>(16,498)</u>
Income tax expense							<u>–</u>	<u>(20)</u>
Loss for the year							<u>(20,488)</u>	<u>(16,518)</u>

There was no inter-segments transfer during the years ended 31 March 2024 and 2023.

	Security Guarding, Property Management and Human Resources		Asset Management		Hospitality Catering and Beverage Services		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Other segment information										
Depreciation of property, plant and equipment	(1,783)	(2,579)	(418)	(537)	(810)	–	(623)	–	(3,634)	(3,116)
Impairment loss on property, plant and equipment	(3,411)	–	–	–	–	–	–	–	(3,411)	–
Impairment loss on trade receivables	(1,517)	(339)	(270)	–	–	–	–	–	(1,787)	(339)
Impairment loss on deposits and other receivables	(874)	–	(1,692)	–	(11)	–	(20)	–	(2,597)	–
Write-off of property, plant and equipment	(2,165)	–	–	–	–	–	–	–	(2,165)	–
Gains on lease termination	5,574	–	–	–	–	–	–	–	5,574	–
Income tax (expense)/credit	–	(21)	–	1	–	–	–	–	–	(20)
Addition to non-current assets	–	1,456	–	–	4,527	–	–	–	4,527	1,456
Non-current assets held for sale	–	3,524	–	–	–	–	–	–	–	3,524

	Security Guarding, Property Management and Human Resources		Asset Management		Hospitality Catering and Beverage Services		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	16,534	71,090	1,078	2,963	18,644	–	36,256	74,053
Corporate cash and cash equivalents							405	247
Corporate and other unallocated assets							5,717	362
Total							<u>42,378</u>	<u>74,662</u>

	Security Guarding, Property Management and Human Resources		Asset Management		Hospitality Catering and Beverage Services		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment liabilities	(20,042)	(32,848)	(1,108)	(1,578)	(9,386)	–	(30,536)	(34,426)
Promissory note payable							(8,668)	(18,750)
Borrowings							(7,213)	(7,187)
Corporate and other unallocated liabilities							(8,345)	(4,534)
Total							<u>(54,762)</u>	<u>(64,897)</u>

Geographic information

Revenue from external customers

The Group's revenue from external customers by geographical area, which is based on the location where the services are rendered.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The PRC	52,605	66,951
Hong Kong	1,995	14,070
	54,600	81,021

Non-current assets

The Group's non-current assets by geographic area are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
The PRC	16,143	9,883
Hong Kong	–	2,751
	16,143	12,634

Information about major customers

Revenue from major customers in the segment of Security Guarding and Property Management and Human Resources, each of them accounted for 10% or more of the Group's revenue, are set out as below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A	13,915	14,540
Customer B	10,054	13,985
Customer C	N/A	10,425
Customer D	6,938	N/A
Customer E	6,291	N/A

4. OTHER INCOME AND GAINS, NET

	2024	2023
	HK\$'000	HK\$'000
Bank interest income	59	127
Net foreign exchange gains	1	848
Government grant (<i>Note</i>)	81	1,874
Gains on disposal of property, plant and equipment	–	168
Gains on disposal of non-current assets held for sale	8,476	–
Write-off of property, plant and equipment	(2,165)	–
Gains on lease termination	5,574	–
	<u>12,026</u>	<u>3,017</u>

Note:

During the year ended 31 March 2023, the amount mainly represented government grants obtained from Employment Support Scheme (“ESS”) under the Anti-epidemic Fund launched by the Hong Kong SAR Government supporting the payroll of the Company’s employees. There were no unfulfilled conditions and other contingencies attaching to these grants.

5. FINANCE COSTS

	2024	2023
	HK\$'000	HK\$'000
Interest expense on promissory note	957	2,117
Interest expense on loan from a related party	12	10
Interest expense on borrowings	578	569
Interest expense on lease liabilities	301	134
	<u>1,848</u>	<u>2,830</u>

6. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration	650	650
Cost of inventories sold	1,579	–
Depreciation of property, plant and equipment	3,634	3,116
Employee benefits expenses (<i>including directors' emoluments</i>):	67,015	88,721
– Cost of sales and services	54,488	76,678
– Administrative expenses	12,527	12,043
Expense relating to short-term leases	112	2
Expense relating to low-value assets	22	18
Impairment loss on property, plant and equipment	3,411	–
Impairment loss on financial assets under expected credit loss model	4,384	339

7. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current income tax		
– PRC Corporate Income Tax (“CIT”)	–	20

Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) on the estimated assessable profits of subsidiaries operating in Hong Kong for the year. No provision for Hong Kong profits tax has been made for both years as the Group has no assessable profits arising in Hong Kong. CIT is calculated on estimated assessable profits of the subsidiaries' operations in the PRC at 25% (2023: 25%).

8. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
Loss attributable to the owners of the Company (<i>HK\$'000</i>)	(16,938)	(16,315)
Weighted average number of ordinary shares for the purpose of basic loss per share (<i>in thousands</i>)	<u>581,442</u>	<u>581,442</u>
Basic loss per share (<i>HK cents</i>)	<u>(2.91)</u>	<u>(2.81)</u>

(b) Diluted loss per share

For the years ended 31 March 2024 and 2023, diluted loss per share is the same as the basic loss per share as the exercise of the outstanding share options would have anti-dilutive effects to the basic loss per share.

9. TRADE RECEIVABLES, PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	10,436	15,354
Less: loss allowance of trade receivables	<u>(7,023)</u>	<u>(5,450)</u>
	<u>3,413</u>	9,904
Prepayments	425	724
Deposits	196	2,800
Other receivables	6,573	2,353
Less: loss allowance of other receivables	<u>(2,588)</u>	<u>–</u>
	<u>4,606</u>	<u>5,877</u>
	<u>8,019</u>	<u>15,781</u>

The Group generally allows credit periods of 7 to 30 days (2023: same) to its customers.

The ageing analysis of trade receivables, net of loss allowance based on invoice date, as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	826	4,845
31 – 90 days	1,971	2,899
Over 90 days	616	2,160
	<u>3,413</u>	<u>9,904</u>

10. TRADE PAYABLES, ACCRUED EXPENSES AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	1,316	1,918
Accrued staff salaries	4,741	4,388
Accrued expenses	9,018	8,759
Other payables	1,666	2,608
	<u>15,425</u>	<u>15,755</u>
	<u>16,741</u>	<u>17,673</u>

The ageing analysis of the trade payables based on invoice date is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	731	1,918
31 – 90 days	343	–
Over 90 days	242	–
	<u>1,316</u>	<u>1,918</u>

11 PROMISSORY NOTE PAYABLE

On 6 May 2016, the Company issued a promissory note to a former director of the Company, Mr. Fu Yik Lung (“**Mr. Fu**”) to raise funding for the Group’s working capital on the daily operation and the development of its existing businesses and any other future development opportunities.

The principal sum of HK\$19,500,000 together with its interest accrued are to be repaid on the date falling two years from 6 May 2016. The promissory note was unsecured and interest-bearing at 5% per annum during that period.

On 10 May 2018, the Group had entered into an extension agreement with Mr. Fu (the noteholder of the promissory note) pursuant to which the maturity date of the promissory note was extended to 4 August 2019, and the principal amount of the promissory note was amended to HK\$19,950,000. The extended promissory note shall bear fixed interest in the amount of HK\$200,000 per month.

On 4 April 2019, the Group had entered into a second extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 5 October, 2020, and the principal amount was HK\$19,950,000. The extended promissory note would bear fixed interest in the amount of HK\$200,000 per month.

On 31 July 2020, the Group had entered into an agreement with Mr. Fu pursuant to which certain liabilities for the interest payable was discharged by Mr. Fu. It hereby resulted in substantial modification of the terms of the promissory note. The gain on modification with amount of HK\$2,400,000 was recognised for the year ended 31 March 2021.

On 14 May 2021, the Group entered into a third extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 30 April 2022.

On 7 June 2022, the Group entered into a fourth extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 31 October 2022.

On 1 November 2022, the Group entered into a fifth extension agreement with Mr. Fu pursuant to which the maturity date of the promissory note was further extended to 31 July 2023.

On 14 August 2024, a winding-up petition was filed by Mr. Fu with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region for the winding-up of the Company in relation to an alleged unpaid principal amount of approximately HK\$7,950,000 and related interest of HK\$1,010,000 (the “**Petition**”). Details have been disclosed in the Company’s announcement date 20 August 2024.

On 23 September 2024, the Group entered into a memorandum of deed of waiver with Mr. Fu and pursuant to which all obligations and liabilities for the outstanding principal and related interests of the promissory note payable were discharged by Mr. Fu.

12 BORROWINGS

The balance represented the unsecured debenture. The Company had issued debentures with aggregate principal of United States dollars 800,000 (equivalent to approximately HK\$6,202,000) to an independent third party in the previous years. The debentures are unsecured, bearing interest rate at 8.5% per annum and repayable on 15 July 2021.

On 15 July 2021, the Group had entered into an extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was extended to 15 July 2022.

On 15 July 2022, the Group has entered into second extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was further extended to 15 July 2023.

On 15 July 2023, the Group had entered into a third extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was further extended to 15 July 2024.

On 15 August 2024, the Group had entered into a fourth extension agreement with the holder of the debentures pursuant to which the maturity date of the debentures was further extended to 15 July 2026.

13 EVENTS AFTER THE REPORTING PERIOD

Other than as disclosed elsewhere in this announcement, the Group has following significant events after the reporting period:

- (i) On 15 April 2024, the Group disposed of the entire registered capital of Million Joyce Global Limited, the immediate holding company of King Force Security Limited, to an independent third party with a consideration of HK\$1.
- (ii) On 15 April 2024, the Group disposed of its 51% equity interest in Jingwudun Security Management Group Co., Limited to an independent third party with a consideration of RMB1.
- (iii) On 14 August 2024, a winding-up petition was filed against the Company by the promissory note holder, in connection with promissory note payable of alleged outstanding principal and accrued interests of approximately HK\$8,960,000. On 23 September 2024, the Group entered into a memorandum of deed of waiver with the promissory note holder and pursuant to which all obligations and liabilities for the outstanding principal and related interests of the promissory note payable were discharged. On 27 September 2024, the Group and the promissory note holder had taken out a consent summon to apply for leave to withdraw the winding-up petition.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year, the subsidiaries of the Group principally engaged in (i) the provision of security guarding, property management and human resources services (the “**Security Guarding, Property Management and Human Resources Services**”), (ii) the provision of business advisory and asset management services (the “**Asset Management Services**”); and (iii) the provision of hospitality catering and beverage services (the “**Hospitality Catering and Beverage Services**”).

(a) **Security Guarding, Property Management and Human Resources Services**

For the Group’s Security Guarding, Property Management and Human Resources Services, the Group operates mainly in the People’s Republic of China (the “**PRC**”), following the declining trend of previous years, business in Hong Kong became negligible during the year. Compared to corresponding years, revenue decreased by approximately HK\$29.4 million from HK\$80.4 million for the year ended 31 March 2023 to approximately HK\$51.0 million for the year.

Most of the Group’s revenue was generated in the PRC (approximately 96.1% of the Security Guarding, Property Management and Human Resources Services of the Group), due to the contraction of economic environment in the PRC, the demand for such services in the PRC decreased by approximately HK\$17.3 million from HK\$66.3 million for the year ended 31 March 2023 to approximately HK\$49.0 million for the year. In line with the Group’s strategy, the Group will continue to expand the scale of its Security Guarding, Property Management and Human Resources Services in the PRC to achieve sustained growth in operating revenue, with a view to build the Company into a prominent security guarding and property management enterprise in the PRC. Since the Group has devoted most of resources in the PRC, revenue in Hong Kong has decreased by approximately HK\$12.1 million from HK\$14.1 million for the year ended 31 March 2023 to less than HK\$2.0 million for the year and in order to implement a better cost control, the Group disposed Security Guarding, Property Management and Human Resources Services in Hong Kong subsequently.

(b) **Asset Management Services**

Since 2019, the Company has begun to gradually develop its Asset Management Services. In the PRC, the Group holds a private equity investment fund manager licence from the Asset Management Association of China. The Greater China asset management industry is facing both new challenges and new opportunities under the influence of policies such as China’s economic structural transformation and dual circulation.

As at 31 March 2024, the Group managed privately offered funds in the PRC where these funds invested in promising companies listed or unlisted. Asset Management Services revenue during the year remained steady to approximately HK\$0.5 million, compared to approximately HK\$0.6 million for the year ended 31 March 2023.

The Group targets to invest in (i) buyout or leveraged buyout funds; (ii) medium to long-term investment towards companies with long-term development value and have a leading position in a particular market segment; (iii) bonds; and (iv) providing corporate relief consultation services. The asset management team has been committed to exploring business and investment opportunities, aiming for quality and long-term investments and to increase the scale of funds.

(c) Hospitality Catering and Beverage Services

To adapt to current economic situation and diversify the Group's revenue stream, the Group launched its hotel catering and beverage business in the PRC during the year and recorded revenue of approximately HK\$3.1 million. Benefiting from the restaurant's advantageous location nears the Hong Kong – Shenzhen border, the restaurant capitalised on the trend of Hong Kong residents travelling north for consumption, the management believes that the Hospitality Catering and Beverage Services will provide stable income and cash flow for the Group, and the Group will gradually expand its Hospitality Catering and Beverage Services to strengthen its brand name.

BUSINESS OUTLOOK

The Group will continue to increase its transparency and present a better corporate image to both existing and potential customers in order to capture the rich potential in the Security Guarding, Property Management and Human Resources Services, Asset Management Services and Hospitality Catering and Beverage Services in the PRC. The Group has a plan to apply its experience in the Hospitality Catering and Beverage Services to develop its hospitality business, especially in the cultural and tourism industry.

As the contract of economic on the business environment of domestic enterprises continued to expand, it is expected that the scale of non-performing loans for enterprises will continue to increase against the backdrop of mounting downward pressure on the macro economy after the exposure of non-performing loan risks. There is an increasing demand in the market for introducing professional teams to provide non-performing asset disposal services. Leveraging on its extensive experience in the asset management market, technical expertise and sound brand reputation, the Group plans to provide advisory services on alleviating difficulties to certain enterprises and provide one-stop transaction advisory and value analysis services for enterprises in need. The advisory services cover bulk transfer of non-performing retail bonds, disposal of assets in satisfaction of debts, debt-to-equity swaps, debt restructuring and other transactions, in both domestic and overseas markets. Meanwhile the Group intends to establish investment funds through our asset management platform, connecting the upstream and downstream educational industrial chains with portfolio investment management, as such to transform the Group into a boutique asset management vehicle.

The Board believes that the Group's strategy to extension of businesses could provide a better return to the shareholders of the Company.

FINANCIAL REVIEW

Revenue

For the year ended 31 March 2024 and corresponding period in 2023, the Group's revenue was generated from (i) the provision of Security Guarding, Property Management and Human Resources Services in the PRC and in Hong Kong; (ii) the provision of Asset Management Services; and (iii) the provision of Hospitality Catering and Beverage Services. Total revenue of the Group decreased by approximately HK\$26.4 million or 32.6% from approximately HK\$81.0 million for the year ended 31 March 2023 to approximately HK\$54.6 million for the year ended 31 March 2024. The following table sets forth the breakdown of the Group's revenue by business segment for the year ended 31 March 2024 and 2023:

	Year ended 31 March			
	2024		2023	
	HK\$'000	Percentage	HK\$'000	Percentage
Security Guarding, Property Management and Human Resources Services	51,002	93.4%	80,412	99.2%
Asset Management Services	465	0.9%	609	0.8%
Hospitality Catering and Beverage Services	3,133	5.7%	–	–
Total	<u>54,600</u>	<u>100%</u>	<u>81,021</u>	<u>100%</u>

(a) *Security Guarding, Property Management and Human Resources Services*

Security Guarding, Property Management and Human Resources Services for the year amounted to HK\$51.0 million, it represented an decreased of 36.6% or approximately HK\$29.4 million, as compared with revenue approximately HK\$80.4 million for the year ended 31 March 2023.

Most of the Group's revenue was generated in the PRC (approximately 96.1% of the Security Guarding, Property Management and Human Resources Services of the Group), due to the contraction of economic environment in the PRC, the demand for such services in the PRC decreased by approximately HK\$17.3 million from HK\$66.3 million for the year ended 31 March 2023 to approximately HK\$49.0 million for the year. In line with the Group's strategy, the Group will continue to expand the scale of its Security Guarding, Property Management and Human Resources Services in the PRC to achieve sustained growth in operating revenue, with a view to build the Company into a prominent security guarding and property management enterprise in the PRC. Since the Group has devoted most of resources in the PRC, revenue in Hong Kong has decreased by approximately HK\$12.1 million from HK\$14.1 million for the year ended 31 March 2023 to less than HK\$2.0 million for the year.

(b) *Asset Management Services*

Revenue derived from Asset Management Services for the year ended 31 March 2024 amounted to approximately HK\$0.5 million, it represented income from managing of privately offered funds in the PRC from external customers and it remained steady for year ended 31 March 2024 and 2023.

(c) *Hospitality Catering and Beverage Services*

Revenue from Hospitality Catering and Beverage Services for the year 31 March 2024 amounted to approximately HK\$3.1 million, it represented hotel catering and beverage services provided by restaurant locates in Shenzhen the PRC, in order to cope up the current economic situation and to diversify the Group's revenue.

Cost of sales and services

For the year ended 31 March 2023 and 2024, the cost of sales and services amounted to approximately HK\$76.7 million and 57.5 million respectively.

(a) *Security Guarding, Property Management and Human Resources Services*

The cost of services rendered mainly consists of direct guard costs amount to approximately HK\$52.5 million and HK\$76.7 million for the year ended 31 March 2024 and 2023 respectively, representing over 100% and 94.7% of the Group's revenue respectively. The gross loss was mainly due to the Security Guarding, Property Management and Human Resources Services recorded approximately HK\$1.5 million as business in Hong Kong contracted and the Group gradually streamlining its workforce, a short-term gross loss was incurred for the year ended 31 March 2024 and in order to implement a better cost control, the Group disposed loss making Security Guarding, Property Management and Human Resources Services in Hong Kong subsequently.

(b) *Asset Management Services*

In contrast to the labour-intensive character in the Security Guarding, Property Management and Human Resources Services, cost of services rendered of Asset Management Services mainly consists of business surcharge amount to HK\$4,000 (2023: approximately HK\$2,000).

(c) *Hospitality Catering and Beverage Services*

The cost of Hospitality Catering and Beverage Services mainly consists of food and beverage cost and utilities cost associated with amounted to approximately HK\$1.6 million for the year ended 31 March 2024.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$7.2 million from the gross profit of approximately HK\$4.3 million for the year ended 31 March 2023 to the gross loss of HK\$2.9 million for the year ended 31 March 2024. The decrease in gross profit and gross profit margin were mainly due to the gross loss in Security Guarding and Property Management Services in Hong Kong.

Other income and losses, net

Other income increased by approximately HK\$9.0 million from HK\$3.0 million for the year ended 31 March 2023 to approximately HK\$12.0 million for the year ended 31 March 2024. The increase was mainly due to (i) a one-off gain of approximately HK\$8.5 million on disposal of a workshop in Hong Kong and the transaction completed during the year; and (ii) a one-off gain of approximately HK\$5.6 million was recognised for the termination of a lease liabilities arising from office rental during the year.

Administrative expenses

Administrative expenses primarily comprise staff costs, depreciation and impairment on property, plant and equipment and trade and other receivables. remained relatively stable at approximately HK\$20.0 million and HK\$20.7 million for the year ended 31 March 2024 and 2023, respectively.

Impairment losses of property, plant and equipment

The Group entered into a lease (as lessee) of an office premise in the PRC in October 2016 for a term up to 2031, Right-of-use assets (the “**ROU Assets**”) were recognised at the commencement date of the lease and were tested at least annually for impairment when there is impairment indicator. For the purpose of assessing impairment, ROU assets were grouped at the lowest level for which there were separately identified cash-generating units (“**CGU(s)**”), and in our case the ROU assets have been allocated to the Security Guarding, Property Management and Human Resources Services. Management made an estimate of the expected future cash flows from CGU(s) and chose a suitable discount rate in order to calculate the present value of those cash flow and reviewed the impairment of ROU assets whenever events or changes in circumstances indicate that the carrying amount may not be recovered. The recoverable amount for the CGUs has been determined based on value-in-use calculations estimated by the management with reference to the valuation performed by an independent firm of professional valuer.

An impairment loss on ROU Assets arose from the lease of approximately HK\$3.4 million was recognised for the year ended 31 March 2024. The increase in impairment loss was due to the unsatisfactory business performance and results for the year as well as unfavourable macro-economic environment in the PRC, the Group provided such impairment based on a conservative estimate. As the Group is actively expanding its Hospitality Catering and Beverage Services and exploring potential investment opportunities, especially in the cultural and tourism industry, in addition a stringent cost control was under implementation, it is believed that the results of CGUs would be improved. ROU Assets suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Net impairment losses on financial assets

The impairment losses as on financial assets of approximately HK\$4.4 million was recognised for the year ended 31 March 2024, when compared with approximately HK\$0.3 million for the year ended 31 March 2023.

In accordance with HKFRS 9, the Group makes allowances on items subject to expected credit losses (“ECL”) (including trade and other receivables) based on assumptions about the risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation. An ECL assessment is performed at each reporting date using provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group also performs ECL assessment of whether a financial instrument’s credit risk has increased significantly since initial recognition.

The Group has implemented a credit policy to monitor the performance of its customers by performing an ageing analysis and reviewing the past history of payments made and the customers’ financial position.

Finance costs

The Group’s finance costs mainly consisted of interest on promissory notes and interest on unsecured debenture and the finance costs decreased by approximately HK\$1.0 million from approximately HK\$2.8 million for the year ended 31 March 2023 to approximately HK\$1.8 million for the year ended 31 March 2024. The decrease in finance costs was mainly due to partial repayment of promissory notes during the year and the associated interest decreased accordingly.

Loss for the year

Loss attributable to owners of the Company for the year ended 31 March 2024 amounted to approximately HK\$16.9 million, as compared to approximately HK\$16.3 million for the year ended 31 March 2023. The increase in the Group’s loss for the year mainly due to (i) a gross loss for the year; and (ii) significant increase in impairment losses of property, plant and equipment and financial assets.

Income tax expense

No income tax expense was recognised for the year ended 31 March 2024 in contrast to income tax expense of approximately HK\$20,000 for the year ended 31 March 2023 as a result of the Group did not derive any taxable profit.

Final dividend

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

Liquidity, financial resources and capital structure

The management review the capital structure regularly. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts.

As at 31 March 2024, the share capital and total deficit in equity attributable to owners of the Company amounted to approximately HK\$29.1 million and HK\$6.1 million respectively (2023: HK\$29.1 million and total equity attributable to owners of the Company of HK\$12.8 million respectively). As at 31 March 2024, the cash at banks and in the hand of the Group amounted to approximately HK\$9.7 million (2023: approximately HK\$40.9 million). The Group has a promissory note which is payable to a former director of the Company. The interest rate on lease liabilities were charged at fixed rate with effective rate of 3.5% (2023: 4.9%). The Group did not carry out any interest rate hedging policy.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

Charges over assets of the Group

As at 31 March 2024 and 2023, none of the Group's assets had been charged.

Gearing ratio

As at 31 March 2024, the gearing ratio of the Group was 179% (2023: 39%). The gearing ratio is calculated on the net debt divided by the total capital at the year-end date and multiplied by 100%. Net debt includes the promissory note payable, loan from a related party, amounts due to related parties, lease liabilities, and borrowings, less cash and cash equivalents, Total capital is calculated as equity as shown in the consolidated statement of financial position, plus net debt.

Capital commitments

As at 31 March 2024, the Group had no capital commitments (31 March 2023: nil).

Foreign exchange exposure

The Group's business operations are primarily conducted in the PRC and Hong Kong. The transactions, monetary assets and liabilities of the Group were mainly denominated in RMB and Hong Kong dollars. During the year ended 31 March 2024, there was no material impact on the Group arising from the fluctuation in the foreign exchange rates between the currencies.

The Group did not engage in any derivatives agreement and did not commit to any financial instruments to hedge its foreign exchange exposure during the year (2023: nil).

Significant investment held, material acquisitions and disposals of subsidiaries and affiliated companies, and plans for material investments or capital assets

During the year, the Company did not have any significant investment and had no material acquisition or disposal of subsidiaries or affiliated companies. As at 31 March 2024, the company did not have any plans for material investments or capital assets.

Future plans for material investment or capital assets

Saved as disclosed under the section headed "Fund raising activity – share consolidation" in this announcement, the Group did not have other future plans for material investment or capital assets as at 31 March 2024.

Employees and Remuneration Policies

The Group had 925 employees as at 31 March 2024 (2023: 1,001 employees). The total staff costs (including Directors' remuneration) for the year ended 31 March 2024 amounted to approximately HK\$67.0 million (2023: approximately HK\$88.7 million). The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high-quality staff and enable smooth operations within the Group, the Group offers competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The Group's remuneration policy is revised periodically and determined by reference to market terms, company performance, individual qualifications and performance, and in accordance with the statutory requirements of the respective jurisdiction where the employees are employed.

On 14 December 2018, 18 April 2019, 5 September 2019 and 11 October 2021, the Group granted the share options to the eligible participants including employees within the Group and certain Directors under the share option scheme adopted by the Company on 31 July 2014 to motivate and compensate their contributions to the Group. Details of the grant of the share options are set out in this announcement in the section headed "Share option scheme".

Fund raising activity – Share consolidation and connected transaction involving subscription of new shares under specific mandate on 2 August 2021 (the “Subscription”)

The gross proceeds and the net proceeds from the Subscription (after deduction professional fees and other related expenses) were approximately HK\$68.5 million and HK\$67.5 million respectively. As at 31 March 2024, a total amount of approximately HK\$23.5 million out of the net proceeds had been used by the Group and approximately HK\$6.2 million remain used. As at 31 March 2024, the used amount of net proceeds from the Subscription was placed with licensed banks in the PRC.

Due to the slower than expected business development progress and the general market outlook for the vocational educational industry, in order to adapt to the hostile economic environment in the PRC, the Group has been actively looking for opportunities to diversify its revenue and to improve cash flows.

Benefiting from the current trend of Hong Kong residents travelling north for consumption, the Group launched catering and beverage in hotel during the year.

Leveraging its experience accumulated from the operation in the hospitality industry, the Group will gradually expand its business to cultured and tourism industry.

After careful consideration and detailed evaluation of the Group’s operations and business strategies, the Board has resolved to change the use of the remaining net proceeds with an updated expected timeline of full utilisation during the year as follows:

	Planned use of net proceeds as at 31 March 2023 <i>HK\$'000</i>	Unutilised amount of the net proceeds as at 1 April 2023 <i>HK\$'000</i>	Revised allocation of unutilised amount of the net proceeds <i>HK\$'000</i>	Actual use of net proceeding during the year ended 31 March 2024 <i>HK\$'000</i>	Unused amount of net proceeds as at 31 March 2024 <i>HK\$'000</i>	Updated expected timeline of full utilisation of the balance
Payment for the construction of main campus of the vocational educational centre	29,700	29,700	-	-	-	N/A
Investment funds funding	35,775	7,540	-	-	7,540	By end of 31 March 2025
Payment of employee salaries and staff training costs for setting up and maintaining the investment research team for the investment funds	2,025	2,025	-	2,025	-	N/A
Payment for renovation of restaurant	-	-	8,500	8,500	-	N/A
General working capital	-	-	21,200	20,240	960	By end of 31 March 2025
	<u>67,500</u>	<u>39,265</u>	<u>29,700</u>	<u>33,065</u>	<u>8,500</u>	

The management are of the view that the change in the use of proceeds originally allocated to the construction of vocational educational centre to be used for the renovation of restaurant for Hospitality Catering and Beverage Services and general working capital of the Group would enable the Group to apply its financial resources more efficiently and to capture business opportunities for the Group's revenue growth.

CORPORATE GOVERNANCE

Compliance with the corporate governance code

The Company has adopted and complied with applicable code provision (the “**Code Provision**”) in the Corporate Governance Code (the “**CG Code**”) contained Appendix 15 to the GEM Listing Rules during the year ended 31 March 2024 except for Code Provision C.2.1. Code Provision C.2.1 stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have any officer with the title of chief executive officer but the Company has appointed several staff at the subsidiary level for each business segment who were responsible for the oversight of each business segment's operation. The director will periodically review the Company's corporate governance policies and will propose any amendment, if necessary, to ensure compliance with the CG Code from time to time.

The Company has adopted rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding director's securities transaction. The Company issued notices to the Directors reminding them to the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of this announcement. A specific enquiry has been made to all Directors and they have confirmed that they have complied with the required standard of dealings during the year.

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

Neither of the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2024.

COMPETING INTERESTS

Based on the confirmations received from each of the Directors, none of the Directors controlling shareholder of the Company nor their respective close associates (as defined in the GEM Listing Rules) had interest in any business which compete or is likely to compete, directly or indirectly, with the Group's businesses during the year ended 31 March 2024, and is required to be disclosed pursuant to Rule 11.04 of the GEM Listing Rules.

SUFFICIENT OF PUBLIC FLOAT

Base on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained a sufficient level of public float for its shares as required under the GEM Listing Rules during the year ended 31 March 2024 and up to the date of this announcement.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- (i) On 15 April 2024, the Group disposed of the entire registered capital of Million Joyce Global Limited, the immediate holding company of King Force Security Limited to an independent third party with a consideration of HK\$1.
- (ii) On 15 April 2024, the Group disposed of its 51% equity interest in Jingwudun to an independent third party with a consideration of RMB1.
- (iii) On 14 August 2024, a winding-up petition was filed against the Company by the promissory note holder, in connection with promissory note payable of alleged outstanding principal and accrued interests of approximately HK\$8,960,000.

On 23 September 2024, the Group entered into a memorandum of deed of waiver with the promissory note holder pursuant to which the liabilities for the outstanding principal and related interest of the promissory note payable were discharged. On 27 September 2024, the Group and the promissory note holder had taken out a consent summon to apply for leave to withdraw the winding-up petition.

For details, please refer to announcements of the Company dated 20 August 2024, 26 August 2024 and 27 September 2024 respectively.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The audit committee, which comprises three independent non-executive Directors of the Company, has review with the management in conjunction with the auditor, the accounting principals and practices adopted by the Group and discussed the internal control, risk management and financial reporting matters including the review of audited consolidated financial statements of the Group of the year ended 31 March 2024.

SCOPE OF WORK OF THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Auditor, Linksfield CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 March 2024 as approved by the Board on 30 September 2024. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on the preliminary announcement.

EXTRACTED FROM INDEPENDENT AUDITOR'S REPORT PREPARED BY THE INDEPENDENT AUDITOR

The following is an extract of the independent auditor's report for the year ended 31 March 2024 from the external auditor of the Company:

Our opinion

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

Material Uncertainty Related to Going Concern

As set out in Note 2.1 to the consolidated financial statements, the Group reported a net loss of approximately HK\$20,488,000 and had a net operating cash outflow of approximately HK\$16,127,000 for the year ended 31 March 2024. In addition the Group's current liabilities exceeded its current assets by approximately HK\$18,312,000 and it had a deficits in equity of approximately HK\$12,384,000 as at 31 March 2024. As at the same date, included in its current liabilities were borrowings and promissory note payable totalling approximately HK\$15,881,000, while its cash and cash equivalents amounted to approximately HK\$9,728,000 only. In relation to the promissory note payable, the total outstanding principals and accrued interests amounted to approximately HK\$8,668,000 were in default as at 31 March 2024, of which a winding-up petition was presented by the promissory note holder to the Court of First Instance of the High Court of the Hong Kong Special Administrative Region on 14 August 2024 in an aggregate amount of approximately HK\$8,960,000 and was pending court hearing. On 27 September 2024, the Company and the promissory note holder had taken out a consent summon to apply for leave to withdraw the winding-up petition. These conditions, along with other matters as set forth in Note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with from 9:00 a.m. on 2 July 2024 pending publication of this announcement.

Application has been made by the Company to Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 2 October 2024.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Century Plaza Hotel Group
Song Xiaoming
Chairman and Executive Director

Hong Kong, 30 September 2024

As at the date of this announcement, the executive Directors are Mr. Song Xiaoming (Chairman), Ms. Song Shiqing and Mr. Su Congyue, the non-executive Directors is Mr. Lam Wing Yiu, and the independent non-executive Directors are Mr. Zhao Jinsong, Mr. Li Zhongfei and Mr. Liu Chengwei.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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 announcement 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 announcement misleading.

This announcement will remain in the “Latest Company Announcements” page of the Stock Exchange website at www.hkexnews.hk for at least seven days from the date of its posting and on the website of the Company at www.greatwalle.cn.