STYLAND HOLDINGS LIMITED
大凌集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 211)
(Warrant Code: 2403)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board of directors (the "**Directors**" or the "**Board**") of Styland Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2024 ("**FY2024**") together with the comparative figures for the year ended 31 March 2023 ("**FY2023**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March

	Note	**2024** ***HK$'000***	2023 *HK$'000* *(Restated)*
Continuing operations			
Turnover		**198,537**	176,807
Revenue	*4*	**15,446**	15,186
Costs of brokerage services		**(290)**	(300)
Other income		**1,127**	577
Administrative expenses		**(27,735)**	(28,419)
Selling and distribution expenses		**(4,104)**	(4,443)
Change in fair value of investment properties		**(21,500)**	(14,000)

	Notes	2024 HK$'000	2023 HK$'000 (Restated)
Change in fair value of financial assets at fair value through profit or loss ("**FVTPL**")		**(2,862)**	(641)
Loss on disposal of a subsidiary	*12(b)*	**(783)**	–
(Loss)/Gain on disposal of financial assets at FVTPL		**(458)**	752
Impairment loss on right-of-use assets		**(283)**	–
Impairment loss on intangible asset		**–**	(1,500)
Expected credit losses ("**ECL**") recognised in respect of loans receivable		**(4,214)**	(205)
ECL recognised in respect of other receivables		**(32)**	–
Reversal of ECL recognised in respect of loans receivable		**2,400**	–
Reversal of ECL recognised in respect of other receivables		**36**	–
Finance costs		**(17,733)**	(12,966)
Loss before taxation	*5*	**(60,985)**	(45,959)
Income tax expense	*6*	**–**	–
Loss for the year from continuing operations		**(60,985)**	(45,959)
Discontinued operations			
Loss for the year from discontinued operations	*7*	**(15,812)**	(22,735)
Loss and total comprehensive expenses for the year		**(76,797)**	(68,694)
Loss per share (HK cents)	*9*		
Basic loss per share			
From continuing operations		**8.59**	6.48
From discontinued operations		**2.23**	3.21
Diluted loss per share			
From continuing operations		**8.59**	6.48
From discontinued operations		**2.23**	3.21

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March

	Notes	2024 HK$'000	2023 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**3,656**	5,979
Investment properties		**420,000**	441,500
Intangible assets		**–**	–
Financial asset at FVTPL		**6,983**	6,845
Loans receivable	*10*	**16,169**	30,693
Deposit paid for acquisition of property, plant and equipment		**–**	105
		446,808	485,122
Current assets			
Loans receivable	*10*	**72,325**	80,910
Accounts receivable	*11*	**336**	26,519
Contract asset		**–**	471
Other receivables, deposits and prepayments		**10,133**	8,296
Financial asset at fair value through other comprehensive income ("**FVOCI**")		**–**	–
Financial assets at FVTPL		**1,101**	9,097
Client trust funds		**–**	87,032
Cash and cash equivalents		**18,218**	62,568
		102,113	274,893
Assets held for sale	*12*	**112,003**	30,000
		214,116	304,893
Total assets		**660,924**	790,015

	Notes	**2024** *HK$'000*	2023 *HK$'000*
Current liabilities			
Accounts payable	*13*	**276**	107,029
Convertible bonds		**–**	22,854
Other payables and accruals		**8,547**	10,815
Promissory notes payable	*14*	**30,000**	20,000
Loans		**170,991**	180,705
Lease liabilities		**442**	4,447
		210,256	345,850
Liabilities directly associated with assets classified as held for sale	*12*	**79,240**	–
		289,496	345,850
Net current liabilities		**(75,380)**	(40,957)
Total assets less current liabilities		**371,428**	444,165
Non-current liabilities			
Promissory notes payable	*14*	**36,333**	30,000
Lease liabilities		**324**	2,363
Long service payment obligation		**203**	670
		36,860	33,033
Net assets		**334,568**	411,132
EQUITY			
Share capital		**71,101**	70,932
Reserves		**263,467**	340,200
Total equity		**334,568**	411,132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in Bermuda on 31 July 1991 as an exempted company with limited liability under the Companies Act of Bermuda. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office of the Company is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda, and principal place of business of the Company is Room 1111, 11/F, Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong SAR.

As at 31 March 2024, the Directors consider Kenvonia Family Limited, a company incorporated in Hong Kong, is the Company's immediate and ultimate holding company.

The consolidated financial statements are presented in Hong Kong dollar ("**HK$**"), which is also the functional currency of the Company. All figures are rounded up to the nearest thousand unless otherwise specified.

The Company acts as an investment holding company. The principal activities of its subsidiaries are provision of financial services, mortgage financing, insurance brokerage, property investment and securities trading.

2. BASIS OF PREPARATION

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**").

In preparing the consolidated financial statements of the Group, the Directors have given consideration to the future liquidity of the Group in light of the facts that its continuing operations incurred a net loss of approximately HK$60,985,000 and net cash outflows from operating activities of approximately HK$20,841,000 for the year ended 31 March 2024, and, as of that date, it had net current liabilities of approximately HK$75,380,000. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The Directors have reviewed the current performance and cash flows forecast prepared by the management, covering a period of not less than twelve months from 31 March 2024, as part of their assessment of the Group's ability to continue as a going concern, and after carefully considering the matters described below, the Directors have a reasonable expectation that the Group is able to continue as a going concern and to meet its obligations, as and when they fall due:

(i) the Group expects to continue generating sufficient cash flows from continuing operations to meet its liabilities as and when they fall due in the next twelve months;

(ii) as at 31 March 2024, included in the loans classified as current liabilities of HK$170,991,000, HK$113,443,000 represented the amount repayable after one year in accordance with scheduled repayment terms as set out in the loan agreements pursuant to which the lenders have the discretionary rights to demand for immediate repayment from the Group. Having taken into account of the Group's financial position, the Directors believe that it is not probable that the lenders will exercise their discretionary rights to demand for immediate repayment;

(iii) the proceeds from the disposal of Ever-Long Holdings Limited, details were set out in the Company's announcements dated 22 March 2024 and 21 June 2024;

(iv) the proceeds from possible issuance of new shares; and

(v) the Group has the ability to obtain new financing facilities, to renew its existing financing facilities upon maturity, or to refinance the financing facilities when necessary.

Accordingly, the consolidated financial statements have been prepared on a going concern basis.

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The adoption of new and amended HKFRSs and the impacts on the Group's consolidated financial statements, if any, are disclosed in note 3.

The consolidated financial statements have been prepared on the historical cost basis except for the following items which are stated at fair value:

– investment properties;

– financial asset at FVOCI; and

– financial assets at FVTPL.

The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

3. ADOPTION OF NEW AND AMENDED HKFRSs

3.1 New and amended HKFRSs that are effective on the Group's consolidated financial statements for annual periods beginning on 1 April 2023

In the current year, the Group has applied for the first time the following new and amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2023:

HKFRS 17	Insurance Contracts and related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

3.2 Issued but not yet effective HKFRSs

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

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

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective date not yet determined

The Directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The adoption of these new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

3.3 New HKICPA guidance on the accounting implication of the MPF-LSP offsetting mechanism

In June 2022, the Hong Kong SAR Government (the "**Government**") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**"), which will take effect on 1 May 2025 (the "**Transition Date**"). The Amendment Ordinance abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset LSP in respect of an employee's service from the Transition Date (the "**Abolition**"). In addition, the last month's salary immediately preceding the Transition Date is used to calculate the portion of the LSP in respect of the employment period before the Transition Date.

Prior to 1 April 2023, the Group applied practical expedient in paragraph 93(b) of HKAS 19 (the "**Practical Expedient**") to account for the offsetable MPF benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" (the "**Guidance**") that provides guidance for the accounting for the offsetting mechanism and the impact arising from the abolition of the MPF-LSP offsetting mechanism.

By following the Guidance, the Group has changed its accounting policy in connection with its LSP obligations. As a result of the Abolition, these contributions are no longer considered "linked solely to the employee's service in that period" since the mandatory employer MPF contribution after the Transition Date can still be used to offset the pre-transition LSP obligation. Therefore, the Group ceased to apply the Practical Expedient and reattribute the deemed employee contributions to periods of service in the same manner as the gross LSP benefit by applying paragraph 93(a) of HKAS 19. This change in accounting policy upon the cessation in applying the Practical Expedient has resulted in a catch-up adjustment in profit or loss in June 2022 for the service cost up to that date and consequential impacts on current service cost, interest expense and remeasurement effects from changes in actuarial assumptions for the rest of the year, with the corresponding adjustment to the carrying amount of the LSP obligations during the year ended 31 March 2023. This change in accounting policy did not have any impact on the opening balance of equity at 1 April 2022. It also did not have a material impact on the consolidated statement of financial position as at 31 March 2024 and 31 March 2023.

4. SEGMENTAL INFORMATION

Information reported to the executive Directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance, focuses on types of services provided or products traded. The Group's reportable segments under HKFRS 8 are as follows:

– the financial services segment provides securities and futures dealing, brokerage financing, corporate finance, asset management and other financing services;

– the mortgage financing segment provides corporate and personal financing that are secured by real properties;

– the insurance brokerage segment engages in insurance brokerage services and acting as a mandatory provident fund ("**MPF**") intermediary;

– the property investment segment engages in letting of properties; and

– the securities trading segment engages in trading of securities and derivative products.

As disclosed in note 12(a), the entire equity interest of Ever-long Holdings Limited, representing the Group's financing services business segment, was expected to be disposed within twelve months from the end of reporting period. Therefore, the financing services business segment is presented as the discontinued operations during the year ended 31 March 2024 and the comparative information for the preceding year have been restated.

Segment revenues and results

The following is an analysis of the Group's revenues and results from continuing and discontinued operations by reportable segments.

For the year ended 31 March 2024

	Continuing operations					Discontinued operations		
	Mortgage financing *HK$'000*	Insurance brokerage *HK$'000*	Property investment *HK$'000*	Securities trading *HK$'000*	Sub-total *HK$'000*	Financial services *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
Segment revenues:								
Revenue from external customers	**12,820**	**568**	**1,500**	**558**	**15,446**	**7,127**	**–**	**22,573**
Inter-segment revenue	**–**	**–**	**–**	**–**	**–**	**376**	**(376)**	**–**
	12,820	**568**	**1,500**	**558**	**15,446**	**7,503**	**(376)**	**22,573**
Segment results	**1,918**	**(689)**	**(24,047)**	**(3,430)**	**(26,248)**	**(15,812)**	**–**	**(42,060)**
Unallocated income								**352**
Unallocated expenses								**(35,089)**
Loss before taxation								**(76,797)**

For the year ended 31 March 2023 (Restated)

	Continuing operations					Discontinued operations		
	Mortgage financing *HK$'000*	Insurance brokerage *HK$'000*	Property investment *HK$'000*	Securities trading *HK$'000*	Sub-total *HK$'000*	Financial services *HK$'000*	Eliminations *HK$'000*	Total *HK$'000*
Segment revenues:								
Revenue from external customers	14,378	580	–	228	15,186	10,850	–	26,036
Inter-segment revenue	–	–	–	–	–	240	(240)	–
	14,378	580	–	228	15,186	11,090	(240)	26,036
Segment results	4,883	(2,283)	(17,858)	(751)	(16,009)	(22,735)	–	(38,744)
Unallocated income								43
Unallocated expenses								(29,993)
Loss before taxation								(68,694)

Segment assets and liabilities

The following is an analysis of the Group's assets (including assets held for sale) and liabilities by reportable segments:

As at 31 March 2024

	Continuing operations						Discontinued operations	
	Mortgage financing *HK$'000*	Insurance brokerage *HK$'000*	Property investment *HK$'000*	Securities trading *HK$'000*	Unallocated *HK$'000*	Sub-total *HK$'000*	Financial services *HK$'000*	Total *HK$'000*
Segment assets	**98,206**	**356**	**421,892**	**6,085**	**35,949**	**562,488**	**98,436**	**660,924**
Segment liabilities	**36,001**	**307**	**124,596**	**10,037**	**84,254**	**255,195**	**71,161**	**326,356**

As at 31 March 2023

	Continuing operations						Discontinued operations	
	Mortgage financing *HK$'000*	Insurance brokerage *HK$'000*	Property investment *HK$'000*	Securities trading *HK$'000*	Unallocated *HK$'000*	Sub-total *HK$'000*	Financial services *HK$'000*	Total *HK$'000*
Segment assets	96,388	328	473,382	9,447	72,251	651,796	138,219	790,015
Segment liabilities	27,748	247	137,632	15,037	82,692	263,356	115,527	378,883

For the purposes of monitoring segment performances and allocating resources between segments:

– all assets are allocated to reportable segments other than cash and cash equivalents, unallocated property, plant and equipment, and unallocated other receivables, deposits and prepayments; and

– all liabilities are allocated to reportable segments other than convertible bonds, unallocated lease liabilities, unallocated other payables and accruals and unallocated loans.

Other segment information

For the year ended 31 March 2024

	Continuing operations						Discontinued operations
	Mortgage financing *HK$'000*	Insurance brokerage *HK$'000*	Property investment *HK$'000*	Securities trading *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*	Financial services *HK$'000*
Amounts included in the measurement of segment profit or loss or segment assets:							
Change in fair value of investment properties	–	–	(21,500)	–	–	(21,500)	–
Change in fair value of financial assets at FVTPL	–	–	–	(3,022)	160	(2,862)	–
Loss on disposal of a subsidiary	–	–	(783)	–	–	(783)	–
Loss on disposal of financial assets at FVTPL	–	–	–	(458)	–	(458)	–
ECL recognised in respect of loans receivable	(4,214)	–	–	–	–	(4,214)	(499)
ECL recognised in respect of accounts receivable	–	–	–	–	–	–	(306)
ECL recognised in respect of other receivables	(32)	–	–	–	–	(32)	(1,231)
Reversal of ECL recognised in respect of loans receivable	2,400	–	–	–	–	2,400	1,638
Reversal of ECL recognised in respect of accounts receivable	–	–	–	–	–	–	18
Reversal of ECL recognised in respect of other receivables	36	–	–	–	–	36	588
Impairment loss on right-of-use assets	–	–	–	–	(283)	(283)	–
Bad debt recovery	356	–	–	–	–	356	201
Depreciation – owned assets	(8)	(3)	(414)	–	(642)	(1,067)	(181)
Depreciation – right-of-use assets	(277)	–	–	–	(204)	(481)	(914)
Loss on disposal of property, plant and equipment	–	(3)	(38)	–	–	(41)	(8)
Loss on exchange difference, net	–	–	–	–	(11)	(11)	(42)
Additions to non-current assets *(note)*	498	–	419	–	413	1,330	–
Amounts regularly provided to the chief operating decision makers but not included in the measurement of segment profit or loss or segment assets:							
Interest income	–	–	–	–	352	352	–
Finance costs	(7)	–	–	–	(17,726)	(17,733)	(131)

Note: The amounts exclude the additions to loans receivable and financial assets at FVTPL.

For the year ended 31 March 2023 (Restated)

	Continuing operations						Discontinued operations
	Mortgage financing *HK$'000*	Insurance brokerage *HK$'000*	Property investment *HK$'000*	Securities trading *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*	Financial services *HK$'000*
Amounts included in the measurement of segment profit or loss or segment assets:							
Change in fair value of investment properties	–	–	(14,000)	–	–	(14,000)	–
Change in fair value of financial assets at FVTPL	–	–	–	(791)	150	(641)	–
Gain on disposal of financial assets at FVTPL	–	–	–	752	–	752	–
ECL recognised in respect of loans receivable	(205)	–	–	–	–	(205)	(853)
ECL recognised in respect of accounts receivable	–	–	–	–	–	–	(202)
ECL recognised in respect of other receivables	–	–	–	–	–	–	(2,185)
Reversal of ECL recognised in respect of loans receivable	–	–	–	–	–	–	20
Reversal of ECL recognised in respect of accounts receivable	–	–	–	–	–	–	144
Reversal of ECL recognised in respect of other receivables	–	–	–	–	–	–	9
Impairment loss on right-of-use assets	–	–	–	–	–	–	(2,411)
Impairment loss on intangible asset	–	(1,500)	–	–	–	(1,500)	–
Bad debt recovery	–	–	–	–	–	–	21
Write-down to fair value less costs to sell	–	–	(207)	–	–	(207)	–
Depreciation – owned assets	(9)	(4)	(401)	–	(606)	(1,020)	(326)
Depreciation – right-of-use assets	(280)	–	–	–	(567)	(847)	(2,439)
Loss on disposal of property, plant and equipment	–	–	–	–	(5)	(5)	–
(Loss)/Gain on exchange difference, net	–	–	–	1	(2)	(1)	(113)
Additions to non-current assets *(note)*	–	–	1,286	–	1,063	2,349	470
Amounts regularly provided to the chief operating decision makers but not included in the measurement of segment profit or loss or segment assets:							
Interest income	–	–	–	–	43	43	–
Finance costs	(12)	–	–	–	(12,954)	(12,966)	(238)

Note: The amounts exclude the additions to loans receivable and financial assets at FVTPL.

5. LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

Loss before taxation from continuing operations is arrived at after charging:

	2024	2023
	HK$'000	*HK$'000*
		(Restated)
Staff costs (including Directors' emolument):		
– salaries, allowances and other benefits (note)	**14,241**	13,482
– retirement benefit scheme contributions	**403**	390
Auditor's remuneration	**545**	515
Depreciation of property, plant and equipment		
– owned assets	**1,067**	1,020
– right-of-use assets	**481**	847
Loss on exchange difference, net	**11**	1
Loss on disposal of property, plant and equipment	**41**	5
Write-down to fair value less costs to sell	**–**	207
Lease payments for short-term leases	**25**	16

Note: For the year ended 31 March 2023, the Group has obtained subsidies of HK$736,000 for the continuing operations from Employment Support Scheme under the Anti-epidemic Fund launched by the Government of Hong Kong Special Administrative Region in respect of the outbreak of novel coronavirus (COVID-19) and are netted off from the salaries, allowances and other benefits.

6. INCOME TAX EXPENSE (RELATING TO CONTINUING OPERATIONS)

No provision for Hong Kong profits tax has been provided in the consolidated financial statements for the years ended 31 March 2024 and 2023 as the Company and its subsidiaries either have available losses brought forward from prior years to offset the assessable profits generated during the year or did not generate any assessable profits arising in Hong Kong during the year.

7. DISCONTINUED OPERATIONS

On 22 March 2024, the Company entered into a non-legally binding Letter of Intent in relation to the possible disposal of the entire equity interests in Ever-long Holdings Limited (the "**Disposal of EL Group**"). Ever-long Holdings Limited and its subsidiaries (collectively referred to as the "**EL Group**") which represent the financial service business segment. The Directors consider that the Disposal of EL Group will be completed within 12 months from the end of reporting period. Therefore, the financial services business segment is presented as the discontinued operations during the year ended 31 March 2024 and the comparative information for the preceding year have been restated. Details of the Disposal of EL Group are set forth in the Company's announcements dated 22 March 2024 and 21 June 2024.

The Disposal of EL Group is consistent with the Group's long-term policy to focus on its mortgage financing business, which will allow the Group and its management team to focus its resources on the business area where it has the most competitive strengths.

Analysis of loss for the year from discontinued operations

The results of the discontinued operations were as follows:

	2024	2023
	HK$'000	*HK$'000*
		(Restated)
Revenue	**7,127**	10,850
Costs of brokerage services	**(1,774)**	(2,439)
Other income	**1,681**	2,714
Administrative expense	**(22,923)**	(28,144)
Impairment loss on right-of-use assets	**–**	(2,411)
ECL recognised in respect of loans receivable	**(499)**	(853)
ECL recognised in respect of accounts receivable	**(306)**	(202)
ECL recognised in respect of other receivables	**(1,231)**	(2,185)
Reversal of ECL recognised in respect of loans receivable	**1,638**	20
Reversal of ECL recognised in respect of accounts receivable	**18**	144
Reversal of ECL recognised in respect of other receivables	**588**	9
Finance costs	**(131)**	(238)
Loss before tax	**(15,812)**	(22,735)
Income tax expense	**–**	–
Loss for the year from discontinued operations	**(15,812)**	(22,735)

Loss before taxation from discontinued operations is arrived at after charging/(crediting):

	2024	2023
	HK$'000	*HK$'000*
		(Restated)
Staff costs (including directors' emolument):		
– salaries, allowances and other benefits (note)	**14,983**	16,262
– retirement benefit scheme contributions	**540**	645
Auditor's remuneration	**435**	435
Depreciation of property, plant and equipment		
– owned assets	**181**	326
– right-of-use assets	**914**	2,439
Loss on exchange difference, net	**42**	113
Loss on disposal of property, plant and equipment	**8**	–
Written off of long-aged payables	**(96)**	(1,215)
Lease payments for short-term leases	**109**	229

Note: For the year ended 31 March 2023, EL Group has obtained subsidies of HK$943,000 for the discontinued operations from Employment Support Scheme under the Anti-epidemic Fund launched by the Government of Hong Kong Special Administrative Region in respect of the outbreak of novel coronavirus (COVID-19), HK$12,000 for the discontinued operations from Employment Programme for the Elderly and Middle-aged launched by Labour Department of the Government of Hong Kong Special Administrative Region for on-the-job training and are netted off from the salaries, allowances and other benefits.

Cash flows from discontinued operations are analysed as follows:

	2024	2023
	HK$'000	*HK$'000*
		(Restated)
Net cash (outflows)/inflows from operating activities	**(16,188)**	1,114
Net cash outflows from investing activities	**–**	(244)
Net cash outflows from financing activities	**(4,206)**	(4,370)
Net cash outflows	**(20,394)**	(3,500)

8. DIVIDENDS

The Directors did not recommend the payment of a dividend for the years ended 31 March 2024 and 2023

9. LOSS PER SHARE

For continuing operations

The calculation of basic loss per share was based on the loss for the year of attributable to the owner of the Company HK$60,985,000 (2023: HK$45,959,000) and the weighted average number of 710,161,609 ordinary shares (2023: 709,315,013 ordinary shares) in issue during the year ended 31 March 2024.

Diluted loss per share for the year ended 31 March 2024 was the same as the basic loss per share. The computation of diluted loss per share has not assumed the conversion of the Company's outstanding warrants and convertible bonds since the conversion would result in a decrease in loss per share.

Diluted loss per share for the year ended 31 March 2023 was the same as the basic loss per share. The computation of diluted loss per share has not assumed the conversion of the Company's outstanding convertible bonds since the conversion would result in a decrease in loss per share. Also, it has not assumed the exercise of share options, since the exercise price for the share options was higher than the average market price of the shares in issue.

For discontinued operations

Basic loss per share for the discontinued operations is HK cent 2.23 per share (2023: HK cent 3.21 per share), based on the loss for the year from the discontinued operations of HK$15,812,000 (2023: HK$22,735,000) and the weighted average number of 710,161,609 ordinary shares (2023: 709,315,013 ordinary shares) in issue during the year ended 31 March 2024. Diluted loss per share for the year ended 31 March 2024 and 2023 was the same as the basic loss per share.

10. LOANS RECEIVABLE

	2024	2023
	HK$'000	*HK$'000*
Securities dealing and broking services:		
– Secured margin loans *(note 1)*	–	14,031
– Unsecured margin loans	–	1,930
Less: ECL allowance	–	(2,334)
	–	13,627
Financing business:		
– Secured mortgage loans *(note 2)*	**90,863**	96,980
– Secured loans	–	2,922
– Unsecured loans	**1,432**	12,875
Less: ECL allowance	**(3,801)**	(14,801)
	88,494	97,976
	88,494	111,603
The Group's loans receivable (net of ECL allowance) are analysed into:		
– Non-current assets	**16,169**	30,693
– Current assets	**72,325**	80,910
	88,494	111,603

Notes:

1. Secured loans to margin clients are secured by the underlying securities and are interest-bearing. No aging analysis is disclosed in relation to securities dealing and brokerage services as in the opinion of the Directors, aging analysis does not give additional value in view of the nature of the business of securities dealing and broking services.

2. Secured mortgage loans to mortgage loan clients are secured by the clients' properties located in Hong Kong and are interest-bearing.

The aging analysis of the Group's loans receivable for the financing business (net of ECL allowance), based on the loan release dates at the end of the reporting period, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Financing business:		
Within 6 months	**38,489**	45,287
Over 6 months but not more than 1 year	**30,303**	30,825
Over 1 year	**19,702**	21,864
	88,494	97,976

11. ACCOUNTS RECEIVABLE

	2024	2023
	HK$'000	*HK$'000*
Accounts receivable	**336**	29,206
Less: ECL allowance	**–**	(2,687)
Total	**336**	26,519
Balance in relation to:		
– Securities and futures dealing and brokerage services	**–**	26,230
– Insurance brokerage	**336**	289
	336	26,519

An aging analysis of the Group's accounts receivable (net of ECL allowance) based on the trade dates/invoice dates at the end of the reporting period, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Within 6 months	**224**	24,204
Over 6 months but not more than 1 year	**–**	1,613
Over 1 year	**112**	702
	336	26,519

12. ASSETS CLASSIFIED AS HELD FOR SALE

(a) Disposal of EL Group

The assets and liabilities attributable to EL Group, the Disposal of EL Group are expected to be completed within twelve months of the end of reporting period, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position. The disposal group is measured at the lower of its carrying amount and fair value less costs to sell. On 21 June 2024, the Company entered into the sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell the entire issued share capital of Ever-long Holdings Limited at a cash consideration of HK$40,000,000 by four instalments.

	2024 ***HK$'000***
Property, plant and equipment	**652**
Intangible assets	**–**
Loans receivable (note (i))	**13,313**
Accounts receivable (note (ii))	**18,563**
Other receivables, deposit and prepayments	**3,683**
Financial asset at fair value	**4,975**
Client trust funds	**62,227**
Cash and cash equivalents	**8,590**
Assets of EL Group classified as held for sale	**112,003**
Accounts payable	**67,553**
Other payables and accruals	**784**
Lease liabilities	**2,363**
Bank overdraft	**8,073**
Long service payment obligations	**467**
Liabilities of EL Group associated with assets classified as held for sale	**79,240**
Net assets of EL Group classified as held for sale	**32,763**

The net assets excludes the aggregate shareholder's loan owed by EL Group, which shall be waived by the date of completion of the Disposal of EL Group. Details were set out in the Company's announcements dated 22 March 2024 and 21 June 2024.

Notes:

(i)

	2024
	HK$'000
Securities dealing and brokerage services	
– Secured margin loans	**9,561**
– Unsecured margin loans	**1,488**
Less: ECL allowance	**(1,866)**
	9,183
Financing business	
– Unsecured loan	**12,626**
Less: ECL allowance	**(8,496)**
	4,130
	13,313

Securities dealing and brokerage services

Loans receivable under secured margin loans and unsecured margin loans of approximately HK$9,561,000 and HK$1,488,000 respectively are repayable on demand and bear interests at interest rates with reference to prime rate plus a spread for the year ended 31 March 2024.

No aging analysis is disclosed in relation to securities dealing and brokerage services as in the opinion of the Directors, aging analysis does not give additional value in view of the nature of the business of securities dealing and brokerage services.

Financing business

The aging analysis of the EL Group's loans receivable for the financing business (net of ECL allowance) and based on loan release dates at the end of the reporting period, is as follows:

	2024
	HK$'000
Financing business:	
Over 1 year	**4,130**

(ii)

	2024
	HK$'000
Accounts receivable	**19,957**
Less: ECL allowance	**(1,394)**
	18,563

An aging analysis of the EL Group's accounts receivable, net of the ECL allowance, based on the trade dates/invoice dates at the end of the reporting period is as follows:

	2024
	HK$'000
Within 6 months	**15,097**
Over 6 months but not more than 1 year	**1,887**
Over 1 year	**1,579**
	18,563

(b) Disposal of Ocean View

During the year ended 31 March 2023, the Directors intended to dispose of the entire issued share capital in Ocean View Villa Limited (formerly known as Hoowin Limited) ("**Ocean View**"), an indirect wholly owned subsidiary of the Company which carries on property investment business in Hong Kong. Negotiations with interested party have taken place. As at 31 March 2023, the Directors expect that it is highly probable that the assets attributable to the business of Ocean View will be sold within twelve months and classified it as a disposal company held for sale and is presented separately in the consolidated statement of financial position.

The assets of Ocean View classified as held for sale as at 31 March 2023 are as follows:

	2023
	HK$'000
Investment property *(note)*	30,000
Property, plant and equipment	207
Write-down to fair value less costs to sales	(207)
Total assets classified as held for sale	30,000

Note: Subsequent to classification of assets held for sales, fair value loss of HK$11,000,000 was recognised.

	HK$'000
Reclassified from investment properties	41,000
Changes in fair value recognised in profit or loss	(11,000)
The carrying amount of investment property	30,000

As at 31 March 2023, the investment property was pledged to secure the loan of HK$11,162,000.

On 3 April 2023, the Group entered into a conditional provisional agreement with an independent third party to dispose the equity interest in Ocean View (**the** "**Disposal of Ocean View**").

On 30 June 2023, the Group completed the Disposal of Ocean View for a consideration of HK$30,000,000. The net assets of Ocean View at the date of disposal were as follows:

	As at 30 June 2023 *HK$'000*
Consideration received:	
Total consideration received	30,000
Net assets disposed of:	
Investment property	30,000
Loss on disposal of a subsidiary:	
Consideration received	30,000
Net assets disposed of	(30,000)
Transaction costs	(783)
Loss on disposal	(783)
Net cash flow arising on disposal:	
Consideration received	30,000
Transaction costs	(783)
	29,217

13. ACCOUNTS PAYABLE

Accounts payable (including accounts payable classified as liabilities associated with assets held for sale) are mainly in relation to the securities and futures dealing and broking services. Including HK$67,553,000 (2023: HK$106,657,000) are interest-bearing at 0.01% (2023: bank deposit savings rates) per annum and are repayable on demand for the year ended 31 March 2024. The remaining amounts are non-interest bearing and repayable on demand. No aging analysis is disclosed as, in the opinion of the Directors, an aging analysis does not give additional value in view of the nature of the business of securities and futures dealing and broking services.

As at 31 March 2024 and 2023, the Group's accounts payable that are not denominated in the functional currency of the respective group entities are as follows:

	2024	2023
	HK$'000	*HK$'000*
USD	**7,780**	9,661
NTD	**20,019**	31,109
RMB	**227**	471
Canadian dollar	**–**	25
Great British Pound	**163**	160

As at 31 March 2024, the accounts payable attributable to the EL Group was classified as liabilities associated with assets held for sale (note 12(a)).

14. PROMISSORY NOTES PAYABLE

As at 31 March 2024, the promissory notes bore interest 8% (2023: 5% to 8%) per annum and were repayable as follows:

	2024	2023
	HK$'000	*HK$'000*
Within one year	**30,000**	20,000
After one year but within two years	**36,333**	30,000
	66,333	50,000
Less: Repayable within one year	**(30,000)**	(20,000)
Carrying amount shown under non-current liabilities	**36,333**	30,000

15. CONTINGENT LIABILITIES

As at 31 March 2024, the Group had no material contingent liabilities (FY2023: nil).

16. EVENT AFTER THE REPORTING PERIOD

Except as disclosed elsewhere in this announcement, the Group have no significant events took place subsequent to the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

FY2024 Results

In FY2024, the Group achieved a turnover of approximately HK$205,664,000 (FY2023: approximately HK$187,657,000), and recorded a loss of approximately HK$76,797,000 for FY2024 (FY2023: approximately HK$68,694,000).

Review of Operations

Financial Services

The Group is a reputable financial services provider. To offer our clients a wide range of financial products and services, we hold a total of five licenses granted by the Securities and Futures Commission (the "**SFC**"), namely Type 1 (Dealing in Securities), Type 2 (Dealing in Futures Contracts), Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management).

- *Brokerage*

  There were two main factors in FY2024 that weakened investors' sentiment. One of these factors was the geopolitical tension, in particular, the Russia-Ukraine conflict. The other factor was the interest rate hikes in the United States. The Federal Reserve has kept interest rates at more than 5% at the material time during FY2024. In Hong Kong, the prime rates quoted by The Hong Kong and Shanghai Banking Corporation Limited have been adjusted upwards twice in FY2024, and these prime rate increases have impacted the Hong Kong stock market. The Hang Seng Index exhibited high volatility in FY2024 with the wide range of changes of over 5,000 points. The average daily turnover of the market for FY2024 was approximately HK$99 billion, a decrease of 22% when compared to FY2023.

We provide our clients brokerage service in stock investments as well as subscribing for new shares in initial public offerings ("**IPOs**"). To accommodate to our clients' growing interest in investing in the global market, we are able to offer clients brokerage services for investing in shares that are listed in the Chinese mainland markets and overseas markets including Australia, Canada, Euronext, Germany, Switzerland, the United Kingdom, the United Sates and most of the Asian markets.

To facilitate clients' need to hedge against their stock market investments, we offer brokerage service for futures investment products during FY2024. In conjunction with our brokerage service to allow our clients to invest in China A-shares through the Stock Connects, we also offered clients brokerage service to invest in MSCI China A 50 Connect Index Futures contracts, providing an efficient risk management tool for investors to manage their Stock Connect China A-shares equity exposure.

During FY2024, we have taken extra effort in building up our client base. The number of our active clients has increased by 4% when compared to FY2023. However, due to the reduced activities in the IPO market and the decrease of average daily turnover for the Hong Kong stock market in FY2024, our performance in the brokerage business was below our expectation.

During FY2024, we managed the securities dealing turnover of HK$1.7 billion.

- *Brokerage Financing and Other Financing*

We offer our clients brokerage financing services for investment in stocks as well as for subscribing for new shares in IPOs. To facilitate our clients' placement of their orders through our online trading platform, our brokerage financing service has been extended to our selected online margin and cash clients. We are committed to implementing effective credit control procedures and have complied with the tightened margin-financing rules required by the SFC.

As at 31 March 2024, the net balance of the brokerage financing loans stood at approximately HK$19,713,000. In light of the inactivity of the IPO market in Hong Kong in FY2024, the Group did not record significant interest income from the IPO financing. In FY2024, we managed to maintain a healthy brokerage loan portfolio. Thanks to such effective credit policy, the bad debt provision for our brokerage financing business was kept at an immaterial level.

In addition to the brokerage financing services, our financial services segment also includes other financing service to clients pursuant to the Money Lenders Ordinance. As at 31 March 2024, the net balance of loans receivable for the other financing service was HK$4,130,000, which involved one client, to whom the loans were granted in the financial year ended 31 March 2020. The loan was secured by personal guarantees given by third parties. Because of its long-overdue status, the Group was in the legal process against the client and/or the guarantors with a view to recover such debt. No new loans under the other financing service were granted for the financial years ended 31 March 2021, 2022, 2023 and 2024.

- *Corporate Finance*

  The Group's corporate finance services comprise of acting as a sponsor for IPOs, acting as a financial adviser and compliance adviser for listed companies, and assisting clients to raise funds in the equity and debt capital markets.

  Throughout FY2024, global IPO activities were impacted by increased market volatility and other unfavorable market conditions, along with the rising interest rate environment. The Group has worked as a financial adviser for a GEM Board company to advise on the Listing Rule's requirement for its intention to transfer its listing from GEM Board to Main Board. The Group is also the sponsor by that GEM Board company to handle such transfer.

In addition to the provision of sponsor and financial adviser services, the Group has also participated in certain placing, underwriting and sub-underwriting activities for our clients in the equity capital market. After the reopening of the border between Mainland China and Hong Kong, our corporate finance team has restarted its business visits to potential clients in Mainland China in order to explore its corporate finance business.

- *Asset Management*

Hong Kong has long been a preferred regional hub for asset management because of its proximity to Mainland China and its tax incentive policy for fund management companies. Hong Kong itself is also a member of Greater Bay Area ("**GBA**"), which provides great opportunity for its development of wealth management service. With the Wealth Management Connect, either the mainland clients in the GBA or Hong Kong customers may access to various investment products of each other's markets.

The Group, as an asset management service provider under the license granted by the SFC, may set up a fund investing in the market or industry specified by the clients based on each client's own unique investment needs and goals. As a fund manager, the Group may also provide our clients attractive, tailor-made investment solutions, which would allow the clients to diversify their investments, minimise their investment risks, and gain a competitive return on their investments.

On 22 March 2024, the Company entered into a non-legally binding letter of intent with an independent third party (the "**Purchaser**") in relation to the possible disposal of the entire issued share capital (the "**Sale Share**") of Ever-Long Holdings Limited, a company incorporated in the British Virgin Islands with limited liabilities and a direct wholly-owned subsidiary of the Company (the "**Target Company**" together with its subsidiaries referred to as the "**Target Group**") at a consideration of HK$40,000,000 (the "**Consideration**") to be settled by (i) HK$10,000,000 in cash upon signing of the formal and binding sale and purchase agreement; and (ii) the Purchaser's issue of promissory notes.

The Target Company is principally engaged in investment holding. The Target Group is principally engaged in the provision of financial services.

On 21 June 2024, the Company and the Purchaser entered into the sales and purchase agreement (the "**SPA**"), pursuant to which the Purchaser has conditionally agreed to purchase, and the Company has conditionally agreed to sell, the Sale Share. Following the parties' negotiation, the parties agreed the Consideration shall be HK$40,000,000 to be settled by cash (instead of promissory notes) to the Company in four instalments (the "**Disposal of EL Group**").

Subject to the fulfillment of the conditions precedent of the SPA, upon completion of the Disposal of EL Group, the Target Group will cease to be subsidiaries of the Company and its financial results will no longer be consolidated into the consolidated financial statements of the Group.

Accordingly, the financial services business segment is presented as the discontinued operations during FY2024 and the comparative information for the preceding year have been restated. The assets and liabilities attributable to the Target Group were presented separately in the consolidated statement of financial position of the Group as at 31 March 2024.

Please refer to the announcements of the Company dated 22 March 2024 and 21 June 2024 for more details about the Disposal of EL Group.

Mortgage Financing

Other than the other financing service we provided under the financial services segment, the Group has also carried on its mortgage financing business under the Money Lenders Ordinance since 2011.

To enhance our competitive edge in the marketplace and to provide our clients greater flexibility, we offer three classes of loans, namely first, second and third mortgage loans. Usually, a client is required to offer his/her residential property in Hong Kong as collateral for the mortgage loan. As at 31 March 2024, the Group had 57 individual loans which were referred to it by its registered referral agents. The clients are Hong Kong residents of different background and education levels.

During FY2024, the geopolitical tension and/or interest rate hikes continued to bring hurdles and uncertainties to the global economy as well as the market sentiment in Hong Kong. Facing such market volatility, the Group continued its strategy of maintaining a healthy portfolio as its first priority with a view to preserve its financial strength aiming for long-term profitability when the economy recovers. By maintaining a relatively lower size of its loan portfolio at HK$88,494,000 as at 31 March 2024, the Group did not relax its efforts in complying with the relevant ordinance and guidelines.

The loan sizes contained in the portfolio as at 31 March 2024 ranged from HK$84,000 to HK$5,400,000, and the single largest and the five largest loans were respectively HK$5,400,000 and HK$23,800,000, representing approximately 5.9% and 25.8% of such loan portfolio. We continued to adopt a prudent and cautious approach in running our mortgage financing business by maintaining the loan-to-value ("**LTV**") ratio for new loan drawdowns at a conservative level. Thanks to such measures, the Group's bad debt provision for FY2024 remained at an immaterial percentage to its loan portfolio.

The interest rates offered to clients ranged from 9% to 24% per annum for the mortgage loan portfolio as at 31 March 2024. They were fixed based on the classes and tenors of the mortgage loans, the backgrounds, financial position, source and stability of income of the clients. The interest income for FY2024 was HK$12,820,000.

Insurance Brokerage

The Group engages in the distribution of insurance products to corporate and individual clients as well as acting as an MPF intermediary.

During FY2024, our insurance brokerage business had not improved in terms of its profitability even after the reopening of border between the Mainland China and Hong Kong. The Group would continue to review the development direction of its insurance brokerage business including the possibility of realisation of such investment, which would allow the Group to reallocate its resources for other developments.

Property Investment

As at 31 March 2023, the Group held two investment properties, one is located at Sai Kung, Hong Kong (the "**Sai Kung Property**") while another one is located at Fei Ngo Shan Road, Hong Kong (the "**Fei Ngo Shan Property**").

On 3 April 2023, the Group entered into a conditional provisional agreement for the sale and purchase of the entire issued share capital of Ocean View, which owns the Sai Kung Property, at a consideration of HK$30,000,000 (the "**Disposal of Ocean View**"). On 30 June 2023, the Group completed the Disposal of Ocean View which resulted in a loss on disposal of approximately HK$783,000. Proceeds upon the Disposal of Ocean View were utilised as intended. Details are set forth in the Company's announcements dated 3 April 2023 and 3 July 2023, and circular dated 25 May 2023.

The Fei Ngo Shan Property has a gross site area of more than 16,000 square feet and is located at the low-density luxury section. As at 31 March 2024, the market value of the Fei Ngo Shan Property was HK$420,000,000. On 29 December 2023, the Group entered into a tenancy agreement (the "**Tenancy Agreement**") with a tenant in relation to the Fei Ngo Shan Property for a term of three years commencing from 1 January 2024 at a monthly rental of HK$500,000. The tenant is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by the father of Mr. Cheung Hoo Win, the executive Director, and is accordingly a connected person of the Company as defined by the Listing Rules. The transactions contemplated under the Tenancy Agreement constitute continuing connected transaction on the part of the Company under Chapter 14A of the Lising Rules. The rental income for the FY2024 was HK$1,500,000.

Securities Trading

As at 31 March 2024, the Group held a portfolio of listed securities investments consisting of 32 securities, which were engaged in the sectors of (i) consumer discretionary; (ii) information technology; (iii) financials; (iv) healthcare; (v) gold and precious metals; and (vi) others. The net realised losses were HK$458,000 and the net unrealised losses were HK$3,022,000.

Prospects

In view of the geopolitical tension, high interest rates and weak investment sentiment, the general economic conditions are expected to be challenging and uncertain. The Group will continue to implement solid approach for the collections of loans receivable and accounts receivable and maintain attentive but sensible approach towards new investment opportunities to enhance values to the shareholders of the Company.

FINANCIAL REVIEW ON LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2024, the Group's net asset value was approximately HK$334,568,000 (FY2023: approximately HK$411,132,000), and the cash at bank and in hand were approximately HK$26,808,000 of which approximately 89% was held in Hong Kong dollar, approximately 8% in U.S. dollar, approximately 2% in Renminbi, and approximately 1% in New Taiwan dollar.

As at 31 March 2024, the Group had bank overdraft of approximately HK$8,073,000 (31 March 2023: Nil), bank loans of approximately HK$135,992,000 (31 March 2023: HK$154,555,000), other loans of approximately HK$34,999,000 (31 March 2023: HK$26,150,000), promissory notes payable of approximately HK$66,333,000 (31 March 2023: HK$50,000,000) and lease liabilities of approximately HK$3,129,000 (31 March 2023: HK$6,810,000). As at 31 March 2023, the Group had convertible bonds of approximately HK$22,854,000, which bore interest at 6% per annum, were mature and redeemed in full in August 2023. The gearing ratio, calculated on the basis of the Group's total borrowings to the shareholders' fund, was about 0.74 (31 March 2023: 0.63).

As at 31 March 2024,

(i) bank loans of approximately HK$131,641,000 (31 March 2023: HK$138,888,000) were interest-bearing at 1.9% (31 March 2023: 1.9%) per annum over Hong Kong Interbank Offered Rate, and were secured by the Fei Ngo Shan Property with a carrying value of approximately HK$420,000,000 (31 March 2023: HK$441,500,000);

(ii) bank loans of approximately HK$4,351,000 (31 March 2023: HK$4,505,000) were interest bearing at 1.26% per annum over Secured Overnight Financing Rate (31 March 2023: 1% per annum over London Interbank Offered Rate), were secured by the Fei Ngo Shan Property with a carrying value of approximately HK$420,000,000 (31 March 2023: HK$441,500,000), rental proceeds in respect of the Fei Ngo Shan Property, and an investment in a life insurance policy of the Group with a carrying amount of approximately HK$6,983,000 (31 March 2023: HK$6,845,000), and were guaranteed by the Company;

(iii) other loans of approximately HK$18,999,000 (31 March 2023: HK$26,150,000) were interest bearing at 5.125% (31 March 2023: 2.75%) above the Hong Kong Dollar Best Lending Rate per annum and secured by sub-charges/sub-mortgages on the first legal charges/mortgages of properties charged/mortgaged to the loans receivable of the Group with carrying amount of approximately HK$21,808,000 (31 March 2023: HK$32,438,000) and jointly guaranteed by the Company and an entity within the Group;

(iv) other loans of approximately HK$6,000,000 (31 March 2023: Nil) were interest-bearing at 12% per annum (31 March 2023: Nil) and secured by sub-charges/sub-mortgages on the second/third legal charges/mortgages of properties charged/mortgaged to the loans receivable of the Group with carrying amount of approximately HK$15,097,000 (31 March 2023: Nil);

(v) other loans of approximately HK$10,000,000 (31 March 2023: Nil) were interest-bearing at 12% per annum and secured by sub-charges/sub-mortgages on the first/second legal charges/mortgages of properties charged/mortgaged to the loans receivable of the Group with carrying amount of approximately HK$13,255,000 (31 March 2023: Nil) and guaranteed by an entity within the Group;

(vi) promissory notes payable bore interest at 8% (31 March 2023: range from 5% to 8%) per annum; and

(vii) the applicable interest rates for lease liabilities ranged from 2.79% to 6.89% (31 March 2023: 1.65% to 6.89%).

As at 31 March 2023, bank loans of approximately HK$11,162,000 were interest-bearing at 2.75% per annum below Hong Kong Dollar Best Lending Rate as determined by the bank, and were secured by the Sai Kung Property with a carrying value of HK$30,000,000 and the Company's corporate guarantee. During FY2024, such bank loans were fully repaid subsequent to the Disposal of Ocean View.

Investments in Financial Assets

As at 31 March 2024, the Group held a portfolio of listed securities with fair value of approximately HK$6,076,000 (31 March 2023: HK$9,097,00) and an investment in a life insurance policy of approximately HK$6,983,000 (31 March 2023: HK$6,845,000).

The Group entered into a life insurance policy with an insurance company to insure the chief executive officer of the Company during the year ended 31 March 2020. The total sum insured is approximately US$3,876,000 (equivalent to approximately HK$30,233,000 (the "**Sum Assured**"). The Group is the policy holder and the beneficiary of the policy. The Group has paid one-off premium of US$1,000,000 (equivalent to approximately HK$7,800,000). The Group can terminate the policy at any time and receive cash bank based on the cash value of the policy at the date of termination. The cash value is determined by the premium paid plus accumulated interest earned minus the accumulated insurance policy charges and any applicable surrender charge (the "**Cash Value**").

In addition, if the termination and withdrawal of the policy are made between the 1st to 15th policy years, there is a specified amount of surrender charge. The surrender charge in full or partial termination would be calculated based on the number of years the policy has been in force and charged at the range from 0.23% to 3.28% of Sum Assured. The insurance company will pay the Group an interest on the outstanding Cash Value of the policy at the prevailing interest rate fixed by the insurance company and a minimum interest of 2% per annum is guaranteed by the insurance company.

The entire balance of such investment in a life insurance policy has been pledged to a bank security for the banking facilities granted to the Group.

The Group will continue to adopt a prudent approach for its investments in financial assets.

Charges on Group Assets

As at 31 March 2024,

(i) the Group's investment properties of approximately HK$420,000,000 (31 March 2023: HK$471,500,000 including the one that was grouped under "Assets held for sale") and an investment in a life insurance policy of approximately HK$6,983,000 (31 March 2023: HK$6,845,000) were pledged to banks to secure the banking facilities granted to the Group; and

(ii) the Group's loans receivable of approximately HK$50,160,000 (31 March 2023: HK$32,438,000) were pledged to secure other loans granted to the Group.

Credit Risk

For the financial services businesses, the Group is strictly in compliance with the Securities and Futures Ordinance (the "**SFO**"). Margin financing loans are granted to customers based on their individual assessment of financial status, repayment records and the liquidity of collaterals placed by them. The applicable interest rate charged to the customer will be determined based on these factors. Generally, margin loans will be demanded for repayment once a customer fails to maintain the maintenance margin, or fails to repay the loan or any sum that is due to the Group.

For the Group's other financing service under its financial services segment, a loan may be secured by listed securities or a personal guarantee given by a third party. The market value of a client's listed securities as collaterals or the financial ability of the guarantor will be assessed before a loan drawdown.

Under the Group's mortgage financing business, the loans are usually secured by residential properties in Hong Kong. To lower the Group's exposure to the credit risk, the percentage of LTV for the new drawdown in general will be within 80%. To have a more reliable market value of a client's property, the Group will obtain two verbal valuations from two reputable appraisers while the lower one, the written report of which will be issued prior to the loan drawdown, will be used as the current market value in the calculation of LTV. The chief executive officer's additional approval is required for a drawdown with the LTV exceeding 80%. Onsite inspection of the proposed mortgaged property will be conducted by our loan managers if the credit manager thinks it necessary before loan disbursement.

For the Group's financing businesses, the management will from time to time assess whether the credit risk of the loans receivable has increased significantly since their initial recognition. Other than the adverse effect to the economic environment arising from COVID-19, the factors to be considered for possible loan impairment including the clients' repayment track record and updated financial position, the changes in market value of the clients' collaterals, and financial ability of their guarantors. After a drawdown, the management team will closely monitor the client's repayment status. When there is any default in repayment, the Group will contact such client via phone to urge him/her to settle the overdue amounts without further delay. In case the default in repayment persists, legal demand letters will be sent to the client through our lawyer(s). Accounts will be passed to debt collection agent(s) if a client does not give a positive response about the repayment plan or scheme such as loan restructuring or providing additional collateral. The Group will then take legal action against the client or his/her guarantor for recovery of debt. The Group will also take legal actions to enforce the possession of the defaulted client's property for auction if the loan is secured by a property.

For the insurance brokerage business, clients are required to pay premiums or fees to insurance companies directly, and the technical representatives of the Group would follow up clients' payment status to ensure that their payments are made on time to the insurance companies.

Compliance and Operational Risks

The Group has put in place effective internal control systems for its operations. Under the financial services businesses, the relevant monitoring teams comprised licensed responsible officers registered under the SFO and the management, who have acted in compliance with the SFO, have been set up to monitor the operations, the settlement matters of traded financial products and cash, and to provide clients services of the regulated activities. As at 31 March 2024, the number of responsible officers of the Group registered under the SFO for each regulated activity under the financial services segment were as follows:

Type of License	Regulated activity	Number of responsible officers
Type 1	Dealing in securities	5
Type 2	Dealing in futures contracts	Note
Type 4	Advising on securities	4
Type 6	Advising on corporate finance	3
Type 9	Asset management	3

Note: As at 31 March 2023, the number of responsible officers registered under the SFO for Type 2 (Dealing in Futures Contracts) regulated activity was zero as the Securities and Futures Commission, upon the Group's request, revoked the license on 5 January 2024. Effective from 24 June 2024, the Group hold Type 2 (Dealing in Futures Contracts) to only engage in introducing persons to an intermediary that is licensed by or registered with the SFC for Type 2 regulated activity, in order that they may: – (i) effect dealings in futures contracts; or (ii) make offers to deal in futures contracts.

In order to safeguard clients' interests and comply with the requirements of the SFO, our monitoring teams have carried out ongoing checks and verifications so that we are able to maintain our service standard at a satisfactory level. During FY2024, the financial services operation of the Group had complied with the SFO. Clients were satisfied with our services.

For the Group's other financing service under its financial services segment, in addition to the review on clients' personal information, such as copies of their identity cards and residential address proof, the clients' listed securities that are used as collateral must be under the Group's custody. In the case of a provision of personal guarantee, the Group will also review the guarantor's financial position. If the guarantor owns a property, land search will be made for the proof of property ownership.

The Group has its internal assessment and work procedure in granting a mortgage loan. When a client is referred to the Group by its registered referral agent, a loan application form setting out the potential client's personal information and financial position, including his/her source of income and amount of income, the market value of the property as collateral, and details of the outstanding mortgage (if any) with banks or other financing company will be submitted to the director who is responsible for the mortgage financing business for approval. Together with the loan application form, the following documents will be verified or reviewed: (i) copy of identity card or passport; (ii) copy of income proof, such as tax demand note, salary payroll receipt, employment contract or tenancy agreement; (iii) copy of residential address proof of the latest three months, such as utility bills, tax return or bank statement; (iv) legal search for the credit worthiness assessment; and (v) land search report for the proof of property ownership.

In addition to the know-your-client procedure, the Group will also observe the requirement to comply with the anti-money laundering and counter terrorist financing regulations for its financing businesses. For our mortgage financing business, to promote clients' awareness of the requirements of the Money Lenders Ordinance, a Summary of Provisions of the Money Lenders Ordinance will also be attached, for client's reference, to the loan agreement to be entered between the Group and its client. For FY2024, our operation had complied with the Money Lenders Ordinance and the applicable guidelines.

Under the insurance brokerage business, the responsible officer and the technical representatives are registered under the Insurance Ordinance, and they are required to act in compliance with that ordinance.

Interest Rate Risk

During FY2024, the Group's borrowings bore interest at either fixed interest rates or floating interest rates. Its risk arises from the interest payments which were charged according to floating interest rates. The Group monitors its interest rate exposure regularly to ensure that the underlying risk is within an acceptable range.

Liquidity Risk

The Group's policy is to regularly assess current and expected liquidity requirements of the Group and to ensure that it maintains reserves of cash, readily realisable marketable securities and adequate committed lines of funding from financial institutions to meet its liquidity requirements. As at 31 March 2024, the amount of undrawn banking facilities of the Group was approximately HK$22,799,000.

Price Risk

The Group is exposed to listed equity price risk arising from individual securities investments classified as financial assets at fair value through profit and loss. This risk results from the decrease in the levels of equity indices and the value of the individual securities. The Group's investments in listed shares are valued at the quoted market prices. The Group continues to monitor the movements in equity prices and will consider hedging the risk exposure should the need arise.

Foreign Exchange Exposure

During FY2024, the Group's business activities as well as its assets and liabilities were mainly denominated in Hong Kong dollar, New Taiwan dollar, U.S. dollar and Renminbi. In light of (i) the offset each other for assets and liabilities that were denominated in New Taiwan dollar; (ii) the exchange rate peg between the Hong Kong dollar and U.S. dollar; and (iii) the immaterial balance of assets or liabilities that were denominated in Renminbi when compared to the Group's total assets or liabilities, the Group considers its foreign exchange risk immaterial for FY2024. It is the Group's treasury policy to manage its foreign currency exposure to minimise any material financial impact to the Group.

Cyber Security Risk

The Group defines its cyber security risk as the risk to the Group's assets and operations due to the potential unauthorised access, use, disruption, modification or destruction of its operation systems.

In addition to the designated information technology ("**IT**") employee who is responsible for overseeing the operation of the Group's server and online trading systems, the Group also engages an external IT consultancy company which advises the Group on maintaining a high level of risk control with respect to cyber security risk. This external IT consultancy company also provides us advanced IT support and useful suggestions for the improvement or enhancement of our internal computer system to reduce the probability of cyber security risk.

The Group subscribes its trading operation systems from outside system service providers, and backs up the transaction records and clients' information on a daily basis. A back-up restoration test will be carried out as the management may from time to time determine. Also, we will assess the access right to operation systems by the management on a regular basis with a view to prevent unauthorised access or use of the systems.

The IT employee will perform the cyber security risk evaluation and report it to the management for review. To promote the awareness of the cyber security risk surrounding our operation systems, we provide our staff the latest cyber security risk information and relevant training from time to time.

STAFF

As at 31 March 2024, the Group had 62 employees. During FY2024, the Group's remuneration packages were generally structured with reference to prevailing market practice and individual merits. Salaries have been reviewed periodically based on the employee performance appraisal or other relevant factors. The Group also maintains certain staff benefit plans including medical insurance, hospitalisation scheme and mandatory provident fund scheme.

The emoluments of the Directors are determined by the Remuneration Committee as delegated by the Board with reference to market rates and respective Directors' experience, duties and responsibilities in the Group. None of the Directors are involved in deciding their own remuneration. The Group maintains the continued learning sponsorship scheme to sponsor the continuous professional development of the members of the Group including the Directors.

BONUS ISSUE OF WARRANTS

On 18 August 2023, the Board proposed an issue of bonus warrants to the shareholders of the Company (the "**Shareholders**") on the basis of 1 warrant for every 5 shares (the "**Bonus Issue of Warrants**"). For details of the Bonus Issue of Warrants, please refer to the announcement of the Company dated 18 August 2023 and the circular of the Company dated 31 August 2023 (the "**Warrant Circular**"). On 15 September 2023, the Shareholders approved the Bonus Issue of Warrants, pursuant to which 141,863,002 warrants were issued. The initial subscription price was HK$0.138 and the subscription period was from 5 October 2023 to 4 October 2024 (both days inclusive). Full exercise of the subscription rights attaching to the 141,863,002 warrants would result in the issue of 141,863,002 new shares. Details of the exercise of Bonus Issue of Warrants are set out as follows:

	Number of warrants	**Amount**
		HK$'000
Warrants issued	141,863,002	19,577
Warrants exercised during FY2024	(1,695,186)	(234)
At 31 March 2024	140,167,816	19,343

As disclosed in the Warrant Circular, the Group would apply any subscription monies received as and when the subscription rights were exercised (the "**Subscription Monies**") for the general working capital of the Group, including administrative expenses, and financing or funding principal activities of the Group. As at 31 March 2024, all Subscription Monies has been applied as intended for the general working capital of the Group.

MATERIAL ACQUISITION AND DISPOSAL

During FY2024, the Group did not make any material acquisitions or disposals.

CORPORATE GOVERNANCE

During FY2024, save as disclosed below, the Company has complied with all the code provisions of the Corporate Governance Code contained in Appendix 14 of the Listing Rules.

Code Provision C.1.6 – One independent non-executive Director was unable to attend the special general meeting held on 15 September 2023 as he had other engagements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Board has adopted the Model Code (the "**Model Code**") for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 the Listing Rules as its own code for securities transactions by Directors.

The Directors have confirmed, following specific enquiry by the Company, that in FY2024, they have complied with the required standard as set out in the Model Code.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during FY2024.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract from the independent auditor's report on the Group's audited consolidated financial statements for the year ended 31 March 2024. The report includes an emphasis of matter, without qualification.

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

We draw attention to Note 2.1 to the consolidated financial statements, which indicate that the Group's continuing operations incurred a net loss of approximately HK$60,985,000 and net cash outflows from operating activities of approximately HK$20,841,000 for the year ended 31 March 2024 and, as of that date, the Group had net current liabilities of approximately HK$75,380,000. These conditions, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

SCOPE OF WORK OF GRANT THORNTON HONG KONG LIMITED ("GRANT THORNTON")

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 as set out in this preliminary announcement have been agreed by the Group's auditor, Grant Thornton, and were consistent with the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressly by Grant Thornton on this preliminary announcement.

REVIEW OF ACCOUNTS

The Company has the Audit Committee comprising three independent non-executive Directors ("**INEDs**"), namely, Mr. Lo Tsz Fung Philip, Mr. Li Hancheng and Ms. Ling Sui Ngor. The Audit Committee has reviewed the Group's annual results for FY2024.

PUBLICATION OF THIS ANNOUNCEMENT AND ANNUAL REPORT

This announcement will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (https://www.irasia.com/listco/hk/styland/). The annual report for FY2024 containing all the information required by the Listing Rules will be published on the websites of the Company and the Stock Exchange and despatched to the shareholders of the Company in due course.

On behalf of the Board
Styland Holdings Limited
Li Hancheng
Non-executive Chairman

Hong Kong, 27 June 2024

As at the date of this announcement, the Board comprises two executive Directors Mr. Cheung Hoo Win and Mr. Ng Yiu Chuen and three INEDs Mr. Li Hancheng, Mr. Lo Tsz Fung Philip and Ms. Ling Sui Ngor.

* *For identification purpose only*