大凌集團有限公司
STYLAND HOLDINGS LIMITED
(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)
(股份代號 Stock Code: 0211)

年報
ANNUAL REPORT
2023/24

EXCELLENT SERVICE LOOKING TO THE FUTURE
卓越服務 展望未來

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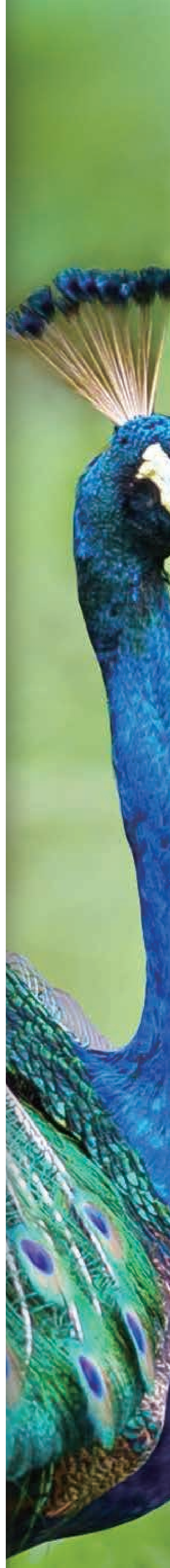
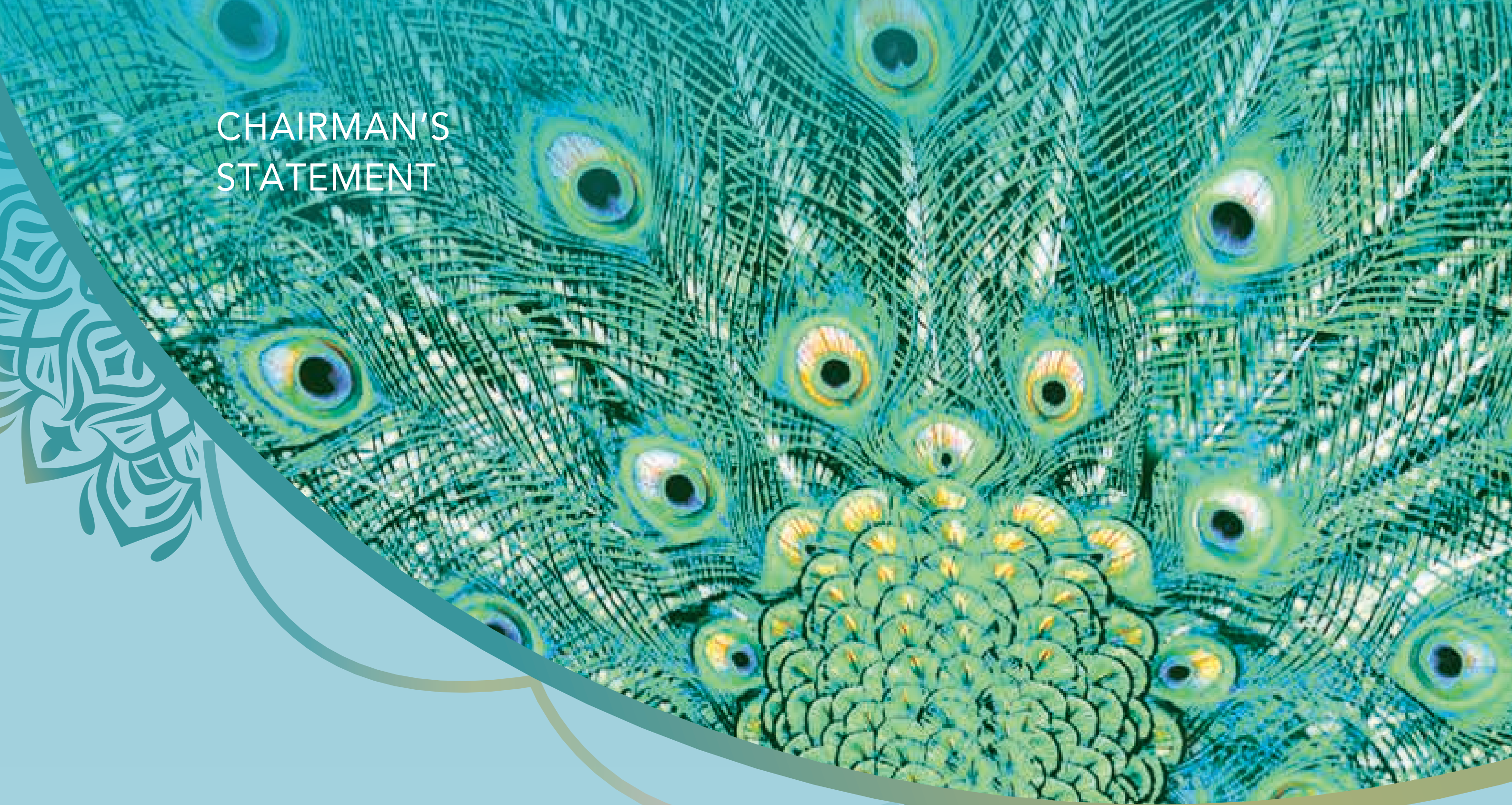




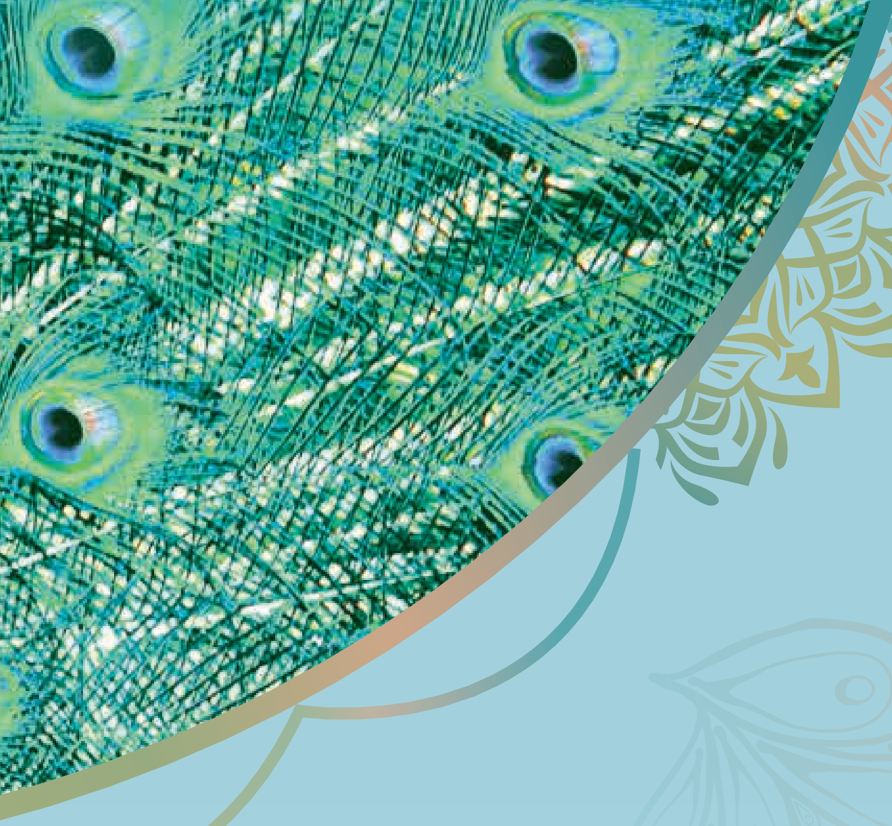
CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors (the "**Board**"), I am pleased to present the annual report on the results of Styland Holdings Limited (the "**Company**" together with its subsidiaries referred to as the "**Group**") for the financial year ended 31 March 2024 (the "**FY2024**").

The general economic conditions in FY2024 were challenging and uncertain in view of the geopolitical tension, high interest rates and weak investment sentiment. Although COVID-19 was no longer a public health emergency, Hong Kong still faced ups and downs in the process of economic recovery.

As far as geopolitical tension is concerned, the Russia-Ukraine conflict has still been in progress. We have not seen any sign of ceasing nor any concession or ceasefire agreements likely to be reached. The outbreak of Israel-Gaza conflict has brought another shock to global markets. If such conflicts could escalate into a broader regional conflict, it may have significant implications to global markets.



As to high interest rates, the Federal Reserve raised the interest rate by 25 basis points in July 2023 and has kept the target range for the interest rate at a 23-year high of 5.25% to 5.5% since September 2023. Such high interest rates may persist for some time and interest rates in Hong Kong could be affected as Hong Kong dollar is pegged with United States dollar.

While the prospects remain uncertain due to recent development of geopolitical tension and high interest rates, we expect that investment sentiment in Hong Kong could still be conservative in the near term, and the economic growth in Hong Kong could still be constrained. The Group would persistently implement cautious and prudent measures to face possible market changes and look for potential investment opportunities, so as to enhance values to our shareholders.

At last, I would like to take this opportunity to express my warmest gratitude and appreciation to our shareholders, business partners, banks, professional parties and employees of the Company for their continuous contributions and support to the Group.

Li Hancheng
Non-executive Chairman

Hong Kong, 27 June 2024

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 rate quoted by The Hong Kong and Shanghai Banking Corporation Limited has 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 investment 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 loan was 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 debts. 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 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 requirement of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for its intention to transfer its listing from GEM Board to Main Board. The Group is also the sponsor of 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 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 preserving 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 the 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 mandatory provident fund 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 to other developments.

Property Development and 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 Villa Limited (formerly known as Hoowin Limited) ("**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 of the Company, 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 United States dollar ("**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 as 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, the 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, and 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 2024, 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 of the Company (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.

MATERIAL ACQUISITION AND DISPOSAL

Except as disclosed elsewhere in this report, the Group did not make other material acquisitions or disposals during FY2024.

CONTINGENT LIABILITIES

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

SUBSEQUENT EVENTS

Except as disclosed elsewhere in this report, the Group had no other significant events after the end of the reporting period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. ABOUT THIS REPORT

Overview

The board of directors (the "**Board**") of Styland Holdings Limited (the "**Company**") is pleased to present this Environmental, Social and Governance (hereinafter called "**ESG**") Report (the "**ESG Report**" or "**Report**") of the Company and its subsidiaries (collectively as the "**Group**" or "**We**") for the financial year ended 31 March 2024 ("**FY2024**"). This ESG Report outlines the policies, sustainability strategies, management approaches and initiatives implemented by the Group and the performance of the Group in the environmental and social aspects of its businesses.

Reporting Scope

This ESG Report covers all of the Group's businesses namely, financial services, mortgage financing, insurance brokerage services, property development and investment, and securities trading in Hong Kong. During FY2024, the scope of this reporting year is consistent with FY2023.

Reporting Basis

This ESG Report discloses the required information under the Mandatory Disclosure Requirements and "Comply or explain" provisions of the ESG Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reporting Principles

The Group adheres to the following reporting principles as the basis for the preparation of this ESG Report.

Materiality: The threshold at which ESG issues determined by the Board are sufficiently important to investors and other stakeholders of the Group that they should be reported, details of which are set out in the sections "Stakeholders' Engagement" and "Materiality Assessment" below for more details.

Quantitative: The environmental and social key performance indicators ("**KPIs**") are disclosed in this ESG Report to give stakeholders of the Group a comprehensive picture of the Group's ESG performance. The information is accompanied by a narrative, explaining its purposes and impacts.

Balance: Every effort has been made in the Report to reflect the performance of the Group's ESG activities impartially and avoid selection, omission or presentation format that might inappropriately influence the decision or judgment of the readers of this ESG Report.

Consistency: Unless otherwise stated, the Group has used consistent methodologies to allow for meaningful comparisons of ESG data over time.

II. MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Board Statement

The Board takes overall responsibility for ESG matters and their integration into the Group's management approach and strategies. It guides the management and monitoring of ESG matters that have been identified as relevant to the Group, and reviews the progress made against ESG-related goals and targets. For disclosures about the Board's supervision over ESG matters, the Board's ESG management policies and strategies, and the progress of the Board's review of ESG-related goals and targets and their relationship with the Group's business, please refer to other disclosure in this section "Management of Environmental, Social and Governance", which form part of the Board Statement.

The Group is committed to corporate social responsibility and balancing environmental, social and economic benefits. It also aims to balance its business development with the interests of its key stakeholders and operates its business in a sustainable manner. To achieve this vision, the Group has set a sustainability framework that focuses on environmental protection, energy and resource management, climate change management, employee and community well-being and guides its sustainability efforts to ensure that sustainability elements are integrated into every business process and all business decisions.

The Group's business is mainly financial services and its business activities do not have a significant impact on the environment and natural resources. Apart from it, we acknowledge the negative effects brought by the climate change such as the rise of sea level and increases of extreme weather events, these effects would also affect the future operation of our Group. As a socially responsible corporate, the Group is committed to mitigating its environmental impact and integrating responsible environmental practices into its businesses. Meanwhile, the Group endeavors to foster a sense of environmental stewardship internally, with an aim to make joint efforts with employees to build an environmentally friendly and resource-saving enterprise.

Even as the world emerges from the COVID-19 pandemic, the health and safety of our employees remains a top priority for our Group. Our Group has maintained a strong focus on implementing robust prevention and control measures to safeguard our workforce.

These efforts have included providing alcohol-based hand sanitisers throughout our facilities, reminding employees to follow good respiratory and hand hygiene practices, and ensuring proper social distancing measures are in place. Additionally, we have strengthened our workplace first aid capabilities to prevent serious injuries and provide instant medical support when needed.

Alongside these health and safety initiatives, we have also placed a strong emphasis on the continuous development and growth of our employees. Our Group remains committed to improving the skills and capabilities of our workforce through professional training programs and development workshops. To further incentivise and retain our talented employees, we have also made concerted efforts to match salaries in line with individual performance and contributions. This holistic approach to employee welfare and growth is a crucial component of our people-centric business strategy. Our Group remains steadfast in our efforts to make continuous progress towards our sustainability goals, embedding environmental and social considerations across all aspects of our operations.

To achieve this vision, the Board would review its environmental and social KPIs from time to time and would take a top-down approach to integrate the KPIs into the functional departments. The Board not only improved the well-being of the employees but also urged the employees to make changes in different areas, such as making good use of energy and resources and reducing unnecessary greenhouse gas ("**GHG**") emissions. ESG matters that the stakeholders of the Group rate as priorities are tracked through the stakeholders' engagement exercise (Please refer to the section "Stakeholders' Engagement" below for details). During FY2024, the Group has made achievements by actively supporting the Group's sustainable development strategies and objectives from the management team and all employees. The relevant scope, progress and achievements relating to the environmental and social KPIs would be disclosed in this ESG Report.

The Group is a respectable enterprise. Through implementing sustainable development strategies and improving its business performance, the Group plans to continue to create more meaningful long-term value for itself and its stakeholders.

Governance Structure

The Board believes that sound ESG strategies can create investment value for the Group and deliver long-term returns to its stakeholders. The establishment of an appropriate governance framework is critical to the successful implementation of the ESG sustainability strategies of the Group. Therefore, the Group had its practice of ESG governance structure with clear duties and responsibilities. The Board sets long-term policies and strategies for all sustainability matters, reviews the implementation status and progress of ESG work annually and reports on its performance. The Board also identifies, reviews and evaluates the corporate responsibility, sustainability and climate change response of the Group through internal meetings. The management team reports to the Board on a regular basis to assist the Board in assessing and determining whether the Company has established an appropriate and effective internal control system to contain the ESG risks. At the operational level, functional units are responsible for ensuring the integration of sustainability strategies and practices into the Group's business operations and exploring new action plans or initiatives.

The Board	Board members are responsible for: ✧ Developing long-term sustainable development policies and strategies ✧ Assessing and identifying risks and opportunities associated with ESG ✧ Ensuring appropriate and effective ESG risk management and internal monitoring systems ✧ Reviewing and approving policies, objectives and action plans/measures related to ESG ✧ Approving ESG reports
Management Team	The management team is responsible for: ✧ Developing and reviewing ESG-related policies, objectives and action plans/measures ✧ Monitoring and reporting to the Board on the progress and quality of implementation of the action plans/measures ✧ Identifying ESG risks and opportunities ✧ Reviewing the ESG report
Functional Departments	The functional departments are responsible for: ✧ Identifying, assessing, defining and reporting to management on significant ESG issues ✧ Performing ESG risk management and internal monitoring ✧ Ensuring ESG policies, objectives and action plans/measures are integrated into business operations ✧ Reporting to management on progress and quality of action plans/measures

The Board has appointed an independent consultant to provide advice on the ESG matters and assist in collecting data and information for conducting various analyses and provide improvement recommendations on ESG performance. The Group has also collected the views of key stakeholders on ESG matters during daily operations and conducted a materiality assessment to identify important ESG issues for the Group, details of which are disclosed in the sections "Stakeholders' Engagement" and "Materiality Assessment" below. To effectively lead the ESG process of the Group, the Board monitors the work of all departments to ensure that they work closely together to achieve the sustainable development goals of operational compliance and social responsibility.

Stakeholders' Engagement

The Group is committed to maintaining the sustainable development of its businesses and providing support to environmental protection and the communities in which it operates. The Group maintains close ties with its stakeholders, including government/regulatory organisations, shareholders/investors, employees, customers, suppliers, community, etc. and strives to balance their opinions and interests through constructive communications in order to determine the direction of its sustainable development. The Group assesses and determines its environmental, social and governance risks, and ensures that the relevant risk management measures and internal control systems are operating properly and effectively. The following table shows the management's responses to the stakeholders' expectations and concerns through different communication channels:

Stakeholders	Expectations and Concerns	Means of Communication	Management Response
Government/Regulatory Organisations	➢ Compliance with laws and regulations ➢ Fulfil tax obligations ➢ Steady business operations ➢ Anti-corruption ➢ Anti-money laundering and anti-terrorist financing	➢ Periodic reports and announcements ➢ Correspondences ➢ Policy documents and guidelines ➢ Official website of the Group	➢ Uphold integrity and compliance in operations ➢ Pay tax (if any) on time ➢ Establish comprehensive and effective internal control systems and implement various anti-corruption, anti-money laundering and anti-terrorist financing measures

Stakeholders	Expectations and Concerns	Means of Communication	Management Response
Shareholders/Investors	➢ Return on investment ➢ Information transparency ➢ Corporate governance system	➢ General meetings of shareholders ➢ Information disclosed on the website of the Stock Exchange ➢ Official website of the Group ➢ Shareholders/ Investors enquiry hotline, email and fax	➢ Management team possesses relevant experience and professional knowledge in business sustainability ➢ Maintain the highest standard of openness, probity and accountability ➢ Ensure transparent and efficient communications by dispatching information on the websites of the Stock Exchange and the Group ➢ Continue to focus on and improve the risk management and internal controls system
Employees	➢ Labor rights ➢ Career development ➢ Compensation and welfare ➢ Health and workplace safety	➢ Employee activities ➢ Performance appraisal ➢ Induction and on-the-job training ➢ Internal meetings and announcements ➢ Contact via email, phone and communication applications	➢ Set up contractual obligations to protect labor rights ➢ Encourage employees to participate in continuing education and professional training to enhance competency ➢ Establish a fair, reasonable and competitive remuneration scheme ➢ Pay attention to occupational health and safety

Stakeholders	Expectations and Concerns	Means of Communication	Management Response
Customers	➢ High quality and efficient services ➢ Ensure information and fund security ➢ Expand service channels ➢ Timely solutions to customers for helping them solve their problems	➢ Customer hotline ➢ Official website of the Group ➢ Mobile applications and other digital platforms ➢ Service complaint and response mechanism	➢ Improve the quality of services continuously in order to maintain customer satisfaction ➢ Ensure proper contractual obligations are in place ➢ Popularise financial knowledge ➢ Set up high-level preventive controls on data leakage and hacking activities ➢ Protect consumer rights and interests
Suppliers/Contractors	➢ Stable demand ➢ Good relationship with the Group ➢ Corporate reputation ➢ Fair and transparent procurement process	➢ Official website of the Group ➢ Negotiation ➢ Contracts ➢ Tendering and bidding	➢ Ensure proper contractual obligations are in place ➢ Establish policies and procedures in supply chain management ➢ Establish and maintain strong and long-term relationship with suppliers ➢ Select suppliers with due care and ensure the competitive procurement

Stakeholders	Expectations and Concerns	Means of Communication	Management Response
Community	➢ Environmental protection ➢ Reduce GHG emissions ➢ Effective use of resources ➢ Community contributions ➢ Economic development and employment	➢ Official website of the Group ➢ Donations	➢ Pay attention to the issue of climate change ➢ Low-carbon and environmentally friendly operations ➢ Encourage employees to actively participate in charitable and environmental protection activities ➢ Strengthen energy saving and emission reduction management ➢ Strive to maintain good and stable financial performance and business growth

Materiality Assessment

During FY2024, the Board held discussions with the management team and conducted materiality assessment through various channels to identify ESG issues in which both the Group and its key stakeholders are interested and assessed the level of concern as viewed by them so as to select the relatively important environmental and social issues. For the materiality assessment, the Group has adopted the following three processes:

Identification	✧ Through diverse channels and internal discussion ✧ Examines and adopts the environmental, social and governance issues of concern in the past stakeholders' engagement ✧ Draws attention to emerging environmental, social and governance issues
Prioritisation	✧ Synthesises, analyses and evaluates the views of all parties to identify and prioritise potential and important issues ✧ Develops materiality matrix based on the importance of the issue to the Group and its key stakeholders
Validation	✧ Interacts with the management team to validate the materiality assessment and ensure that these issues are aligned with the sustainable development direction sought by the Group ✧ Reports the materiality assessment to the Board and makes disclosure in the ESG Report

Materiality Matrix

Materiality assessment helps the Group to ensure its business objectives and development direction are in line with the expectations and requirements of its stakeholders. The matters of concern of the Group and stakeholders are presented in the following materiality matrix:

Materiality Matrix

Importance to Stakeholders				
	High	◆ Anti-discrimination measures ◆ Labor rights protection	◆ Talent management ◆ Staff training and promotion opportunity ◆ Staff compensation and welfare	➢ Customer satisfaction ➢ Service quality ➢ Anti-corruption ➢ Anti-money laundering ➢ Anti-terrorist financing ➢ Information security ➢ COVID-19 prevention
	Medium	➢ Community contributions	✧ GHG and air emissions ✧ Energy conservation ✧ Climate change ◆ Occupational health and safety	➢ Operational compliance ➢ Customers' privacy measures and protection ➢ Suppliers management
	Low	◆ Preventive measures against child and forced labor ✧ Sewage discharge ✧ Generation of non-hazardous wastes	✧ Use of water resources	
		Low	**Medium**	**High**
		Importance to the Group		
		✧ Environmental	◆ Employee	➢ Operation

III. ENVIRONMENTAL PROTECTION

The Group always pays great attention to energy conservation, emission reduction and environmental protection. We adhere to the management philosophy of sustainable development to achieve green operation and balanced development. In response to the global environmental protection trends, we have implemented energy conservation and environmental protection measures to mitigate the environmental risks and negative impacts from the Group's business activities. We are continually promoting the awareness of environmental conservation in the workplace and to our employees and encourage our employees to reduce waste and save energy. To maintain a balance between efficient operation and environmental protection, we have established a set of comprehensive environmental protection policies to cover air and GHG emission reduction, energy efficiency, water conservation, and hazardous and non-hazardous waste management. Our employees have also provided their suggestions to the Group on ways to protect the environment. We have formulated corresponding indicators and various measures to manage natural resources and minimise our impact on the environment.

1. Management of Emissions

The Group engages in the financial services, mortgage financing, insurance brokerage services, property development and investment, securities trading businesses. The environmental impact from the Group mainly comes from its use of natural resources, generation of office and domestic wastes, and discharge of domestic wastewater. Energy conservation and emission reduction are top priorities for the Group. We strongly focus on reducing energy consumption, improving energy efficiency and minimising our impact on the environment by undertaking various energy-saving measures (Please refer to the section "Conservation of Energy" below for details). Our waste management initiatives are centered on the collection of wastepaper for recycling (Please refer to the section "Conservation of Paper" below for details). Illegal disposal of regulated electrical equipment is prohibited. We use environmentally friendly office supplies and place potted plants in our workspaces in aim of reducing our office's carbon footprint and to create a greener working environment for our staff. We do not allow chemicals that are harmful to the environment and wastewater that contains hazardous substances to be discharged into water pipelines.

Potted Plants in the workplace

The Group's property development business includes a redevelopment project at Fei Ngo Shan Road, the occupation permits of which was obtained in April 2019. The interior decoration and other works for this property have been finished last year. Working closely with our contractors, we implemented robust waste management protocols with reference to the environmental protection legislation to properly handle and dispose of all construction and demolition waste generated during the project. This included segregating waste streams, minimising landfill disposal, and exploring opportunities for reuse and recycling where feasible. Due to the remote location of the site, the impact from noise to the surrounding environment was not significant. The solid wastes from this project were handled according to the Waste Disposal Ordinance to minimise our impact on the environment. The recyclable wastes were handled by the recycler, and non-recyclable inert and non-inert wastes were sent to public filling facilities and landfills respectively. The Group adheres to the relevant government laws and regulations regarding wastewater treatment and discharge. Apart from municipal solid management, our Group also focuses on the wastewater management, the contractor has obtained a license under the Water Pollution Control Ordinance for discharging our wastewater to the appropriate drainage and sewage. All of our wastewater has been treated according to the government's standards prior to discharge.

2. Management of Resources Utilisation

The Group recognises its responsibilities to manage its resources and minimise its impact on the environment. Furthermore, the Group is devoted to ensuring all of its resources are utilised in an efficient and wise manner. Hence, we have set up a "Green and Low Carbon Office" and encouraged employees to adopt our management principles of 5S and 4R in the workplace. The "5S" are "Sort", "Straighten", "Shine", "Standardise", and "Self-discipline"; and "4R" refers to "Reduce", "Reuse", "Recycle" and "Replace". Having adopted and implemented these measures, the Group has made a positive impact on the environment and the Group. In addition to our resources being utilised more efficiently and wastes being reduced, our work efficiency was also enhanced. The implementation of these key management principles has resulted in a win-win-win situation for our employees, the Group and Earth.

(1) Conservation of Energy

The electricity of the Group is mainly used for office illumination and electrical appliances. The Group has set up a series of measures that involve raising the electricity efficiency of its electrical appliances to save energy and encourages its employees to adopt energy-saving habits for using our office's electrical appliances.

Environmental Policies	Environmental Protection Measurement
Energy Saving	✧ Encouraging to switch off office equipment and electrical appliances when they are not in use. ✧ Switching off the air conditioners and lights when the conference rooms are not in use. ✧ Selecting office equipment and electrical appliances with energy efficiency labels or high energy efficiency. ✧ Minimising the energy consumption of equipment under "Standby" mode by switching off computers and electrical appliances. ✧ Setting the temperature of air conditioning in range of 24-26 degree Celsius. ✧ Analysing statistically the energy consumption every quarter.
Optimising Lighting System	✧ Switching off the lights when the conference rooms are not in use. ✧ Placing lights where needed with suitable brightness. ✧ Keeping lighting fixtures in good condition for efficiency maximisation. ✧ Opening blinds to take advantage of natural light.

To implement the "Green and Low Carbon Office" concept, the Group has adopted the recommendations provided by China Light and Power Company Limited (CLP) and has posted the CLP guidelines in our offices to educate and encourage our employees to use different ways to save energy in the workplace.

Specifically, we have prominently displayed EMSD (Electrical & Mechanical Services Department) leaflet throughout our workplaces to serve as constant reminders for our staff on energy-saving habits.

These posters provide clear guidance and visual cues to inspire our employees to be mindful of their energy consumption behaviours, such as turning off lights and electronics when not in use, adjusting temperature settings appropriately, and adopting other eco-friendly practices. By raising awareness and fostering a culture of environmental stewardship within our organisation, we empower our workforce to become active participants in our sustainability journey.

Energy Saving Posters by EMSD

In the reporting year of FY2024, the Group's total electricity consumption amounted to approximately 145.22 ('000 kWh) and the intensity is 2.34 ('000 kWh per employee). This represents an increase compared to the previous year's data with 67.6%, which can be attributed to a key factor which is the resumption of Normal Office Operations. Following the easing of pandemic-related restrictions, our offices have resumed their regular operating hours, resulting in extended use of computers, lighting, and air-conditioning systems. While the rise in our overall energy usage is understandable given these contextual changes, our Group remains committed to actively pursuing electricity reduction measures, promoting energy-saving practices among our employees and reducing the unnecessary energy consumption. We recognise the importance of continuous improvement in energy efficiency to mitigate our environmental impact and align with global sustainability goals.

Moving forward, we will explore opportunities to implement more robust energy management systems, make use of energy-efficient equipment and technologies, and further engage our workforce in developing a culture of resource conservation. By setting robust targets and closely monitoring our energy consumption patterns, we aim to drive measurable improvements in our electricity usage in the years ahead.

Gasoline is mainly used in the Group's vehicles for business purpose. The Group repairs and maintains its vehicles regularly to improve their energy efficiency, reduce the extra fuel consumption and minimise exhaust air emissions resulting from the wear-and-tear vehicle parts. Our drivers plan the shortest route and fastest way to reach the destination before using the vehicles in order to maximise energy efficiency. They are mindful of switching off the engine while the vehicle is stationary to comply with the Motor Vehicle Idling (Fixed Penalty) Ordinance in Hong Kong to save fuel and avoid idling emissions. The Group analyses statistically the gasoline consumption regularly, and finds out the reasons if abnormalities are found.

In FY2024, our Group's gasoline consumption amounted to approximately 13.96 tonnes, representing an increase of 51.9% compared to the previous fiscal year. This rise in fuel usage can be attributed to the increased operational demands and business activities that required more vehicle usage across our operations.

While the uptick in gasoline consumption is understandable given the growth of our business, our Group remains committed to implementing measures that will help us decrease our overall fuel usage and environmental impact. To promote a more sustainable culture, we are actively exploring ways to transition our vehicle fleet towards greener, more environmentally friendly options.

(2) Conservation of Water

Water consumption of the Group mainly comprised bottled drinking water and water from the washrooms of our offices that were strictly used for sanitary purposes. The bottled drinking water was purchased from vendors. The water from the washrooms that was used for sanitation was supplied and managed by the property management company. Although the Group did not face any water shortage problem during FY2024, it recognises the scarcity of water resources the environment could offer. The Group constantly reminds employees of their water usage habits and to be careful not to cause any negative impact on the environment, and hence the Group always encourages its employees to establish and practice the correct water usage concept, to cherish water usage in their daily lives and to avoid any kind of wastage. For example, our Group reminds our employees about water conservation practices from time to time including not using potable water and turning off the water tap. By equipping our staff with the knowledge and tools to become active stewards of water resources, we aim to cultivate a water-conscious culture that permeates throughout our organisation. Through these educational behaviours, we encourage our employees to take ownership of their water consumption habits and actively contribute.

Water-Saving Reminder Label by Water Supplies Department (WSD)

The water usage at the Group's offices is managed by the property management companies. Since the property management companies have not provided water usage data in relation to our office units, as such, we did not disclose the data in this ESG Report. Furthermore, our property development project was outsourced to a contractor, and hence, water usage data for the project was not disclosed in this ESG Report.

Moving forward, we are committed to optimising our water management practices driving further reductions in consumption. This will involve exploring water-efficient technologies and engaging with our employees to promote responsible water usage behaviours.

(3) Conservation of Paper

The Group actively promotes the "Green and Low Carbon Office" policy and encourages its employees to save paper. We have also educated our employees on how to avoid wasting paper through various measures, and have reduced our reliance on paper-based documents. We distribute files in electronic format as much as possible in order to minimise photocopying and printing on paper. In addition, we encourage online account opening, communicate with customers via email and instant messengers, and all new customers are using e-statement. Furthermore, we fully utilise both sides of paper, conserve and reuse our other paper supplies. For example, our employees are encouraged to reuse envelopes, paper files and paper bags. With respect to our paper recycling efforts, we collect and pass the used and recyclable papers to the recyclers for handling. We place paper saving tips next to the printers and computers to provide suggestions to employees on the various ways they can save paper at the office. Our printers have been set to default to the duplex print mode to remind our employees about saving paper and to make the best use of paper. The Group counts its paper consumption regularly and finds out the reasons if abnormalities are found.

As part of our ongoing commitment to environmental sustainability, we closely monitor and seek to optimise the Group's paper consumption across our operations. In FY2024, our paper usage amounted to approximately 1.37 tonnes, representing a substantial decrease of 40.7% compared to the previous year.

In our day-to-day operations, the major non-hazardous waste we generate is paper. However, through the successful implementation of our environmental management policies, we have been able to reduce paper consumption across the organisation. This decrease in paper usage can be attributed to our increased adoption of electronic documentation and our concerted effort to reduce reliance on physical printouts. Our employees have been encouraged to print on both sides of the paper whenever possible, further optimising our paper usage.

(4) Hazardous Wastes & Packaging Materials

Given the nature of our business operations, the Group only generates a little hazardous waste such as batteries, and no packaging materials in the daily running of our Hong Kong offices. In addition to our efforts to reduce non-hazardous waste, we also have robust protocols in place for the proper handling and disposal of hazardous waste generated through our operations. For example, used batteries are segregated and placed in dedicated recycling bins to ensure environmentally-sound management. Moreover, when it comes to disposing of old or unwanted electrical and electronic equipment, we ensure that these items are handled in accordance with the "Producer Responsibility Scheme on Waste Electrical and Electronic Equipment." This helps us responsibly manage the end-of-life cycle of our technologies and minimise the environmental impact of e-waste.

We recognise the importance of responsible hazardous waste management and remain vigilant in ensuring that any hazardous substances or by-products that may arise from our activities are properly identified, handled, and disposed of in accordance with relevant environmental regulations and industry best practices.

(5) Others

Beyond ensuring strict environmental compliance, our Group has also implemented a range of initiatives aimed at actively reducing our carbon emissions and waste generation.

One key measure we have adopted is increasing the usage of ceramic mugs in our office pantries instead of single-use disposable cups when serving customers and visitors. Additionally, we have encouraged our employees to use reusable water bottles and cups, minimising the purchase and consumption of disposable alternatives. Our Group focuses on lowering our Scope 3 emissions by implementing measures to reduce the paper consumption. This aligns with the growing focus on managing and reducing the Scope 3 emissions, which we will continue to commit to the environmental responsibility.

These targeted initiatives, combined with our steadfast commitment to environmental compliance, demonstrate our holistic approach to addressing climate change and promoting sustainable business practices.

3. The Environment and Natural Resources

The Group is devoted to caring about and protecting the natural environment. We believe that everyone should take part in it and we hope to create a beautiful living environment together. In order for our employees to gain a greater understanding of the importance of their impact on the environment, we have set up various policies and measures relating to environmental protection in order to reduce our carbon footprint and lessen our environmental impact while conducting our personal lives and business activities (refer to the sections "Management of Emissions" and "Management of Resources Utilisation" above for details).

The Group will continue to increase its investment in environmental protection, revisit and identify the sources of wastes produced in our day-to-day operations, and manage and monitor the Group's use of natural resources and other resources. We will continue to establish and implement effective measures including the promotion of energy conservation and emission reduction, extensive use of energy-saving products, and the best use of office resources to minimise our carbon footprint. We continue to promote employee awareness of environmental protection and resource conservation, and encourage our employees to fulfil their social responsibilities and obligations in the process of business development.

4. Climate Change

Climate change is causing extreme weather events more frequently and severely, often causing catastrophic damage. In recognition of the growing threat posed by climate change, our Group has undertaken a thorough assessment and evaluation of the potential physical and transition risks that may impact our business operations. This strategic exercise has provided us with a deeper understanding of the climate-related challenges we may face, enabling us to develop robust strategies and plans to enhance the resilience of our organisation.

Through this comprehensive risk analysis, we have identified and evaluated a range of climate-related risks, including:

Risks	**Potential Impacts**
Physical Risk	
Acute risk	Increased severity of extreme weather events such as intense storms, hurricanes, or floods which may impact the operational activities
Chronic risk	Prolonged periods of excessive heat can affect our Group's operations by causing power outages, equipment failures, potential health and safety issues for employees. It may also impact the productivity and well-being of staff members.
Transition risk	
Policy and Legal Risks	Our Group may be affected by the changes in government policies, regulations, or laws aimed at reducing carbon emissions and promoting sustainability.
Market Risks	Customers may shift their demand for sustainable investments such as ESG integrated investment which could lead to financial losses for our Group.

By proactively identifying and assessing these climate-related risks, we are better equipped to implement appropriate mitigation and adaptation measures to safeguard the continuity and sustainability of our operations. This process has also helped us recognise potential opportunities that may arise from the transition to a more climate-resilient future, allowing us to strategically position our business lines to capitalise on these emerging prospects.

Moving forward, we will continue to monitor and evaluate our exposure to climate-related risks, updating our risk management strategies and plans as necessary. Additionally, we will seek to enhance our disclosure of climate-related information in line with recognised reporting frameworks, such as the Task Force on Climate-related Financial Disclosures (TCFD), to provide our stakeholders with greater transparency on our climate risk management approach.

Climate change is a major concern of governments around the world. Governments may change the related policies, laws and regulations to deal with climate change. Therefore, the Group needs to change internal policies and measures, increasing the risk of facing various negative effects brought by climate change, which may increase operating costs. The Group believes that a robust response to climate change requires the concerted efforts of all stakeholders. As such, the Group will continue to identify and address stakeholders' expectations to optimise its environmental measures in order to achieve sustainable developments and create long-term value for its stakeholders and for society as a whole. The ESG targets of the Group provide benchmarks and future directions for the annual review of progress in greenhouse gas reduction and resources conservation, and motivate more efficient actions to address climate change.

5. Compliance

At our Group, we place the utmost importance on ensuring full compliance with all relevant environmental protection laws, regulations, and industry standards. We are pleased to report that during the FY2024 reporting period, there were no confirmed non-compliance incidents related to environmental protection that had a significant impact on our operations.

This achievement is a testament to the robust environmental management systems and processes we have implemented across our organisation. We have established clear policies, procedures, and monitoring mechanisms to identify, assess, and mitigate any potential environmental risks associated with our business activities.

IV. EMPLOYMENT AND LABOR PRACTICES

The Group has always regarded its employees as its most valuable assets. The Group adheres to its "employee-oriented" governance philosophy and has established a comprehensive talent management mechanism to attract and retain competent talents for the sustainable development of its businesses. We are devoted to creating a non-discriminatory, equal, harmonious and safe workplace; building up mutual respect and good relationships with our people; encouraging our employees to be innovative, flexible and committed when dealing with our customers and to provide high-quality services to our clients. To achieve these goals, we offer career advancement opportunities to attract, develop, retain and reward our staff, and provide them with commensurate remuneration, personal growth and career development training, together with fringe benefits such as retirement benefits, paid vacation days and insurance. We also promote a good work-life balance to our employees and focus on our employees' physical and mental health. Moreover, we encourage our employees to maintain harmonious interpersonal relationships, promote the team spirit of cooperation and unity, bravely face difficulties and do their best to overcome challenges.

The Group has strictly complied with Hong Kong's laws and regulations regarding employment and labor, including the "Employment Ordinance" (Cap. 57), the "Employees' Compensation Ordinance" (Cap. 282), the "Mandatory Provident Fund Schemes Ordinance" (Cap. 485), the "Minimum Wage Ordinance" (Cap. 608), the "Sex Discrimination Ordinance" (Cap. 480), the "Disability Discrimination Ordinance" (Cap. 487), the "Family Status Discrimination Ordinance" (Cap. 527), the "Race Discrimination Ordinance" (Cap. 602), the "Occupational Safety and Health Ordinance" (Cap. 509) and other applicable requirements and standards. The relevant information will be described in detail in the sections titled "Employment", "Health and Safety" and "Labor Standards" below.

1. Employment

The Group has established an internal management system which specifies the requirements for recruitment, promotion, dismissal, working hours, rest periods, compensation, welfare and other benefits.

(1) Recruitment, Promotion, Dismissal, Equal Opportunity, Diversity and Anti-discrimination

The Group always aims to recruit talented people and develop their potential to the fullest so that our employees can grow with the organisation. The Group advocates equal opportunity, diversity and anti-discrimination, and has established and implemented a fair treatment policy. Our job candidates are selected based on their morality, knowledge, job skills and abilities, and regardless of their ethnic group, religious affiliation, gender, age or marital status. The policy applies to all phases of the employment relationship, including but not limited to, hiring, promotion, performance appraisal, training, personal development and termination. Furthermore, we handle dismissal and compensation in accordance with the Hong Kong Employment Ordinance.

Performance appraisals are conducted periodically for employees to provide them with constructive feedback regarding their job performance. The Group uses the data collected from its employee performance appraisals strictly for its own human resource purposes such as for fairly assessing and determining the level of discretionary bonuses, subsidies, commissions, year-end bonuses, salary increments and/or promotion recommendations that are rewarded to employees. These rewards are based on a number of criteria including work experience, seniority, knowledge and skills, performance, contribution, etc. The Group also operated a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the businesses and success of the Group's operations.

On the basis of equality, we hope to identify talents who are committed or dedicated to work, willing to take responsibility, willing to keep learning, willing to continuously improve their abilities and be willing to move forward with the Group.

At the end of the financial year, the gender ratio in the workforce of the Group comprised 65% male and 35% female. The Group believes that the gender ratio of the workforce is within a reasonable range. The Group will review the effectiveness of the measures and practices against the actual circumstances of the Group and will adopt new policies when considered necessary. In particular, the Group will continue to monitor the gender ratio and will aim at achieving greater gender diversity in hiring all positions across the Group, such as continuing to closely monitor the gender ratio within our employee base and taking concerted efforts to attract, develop, and retain a more diverse talent pool. This will involve reviewing our recruitment practices, career development programs, and workplace policies to identify and address any potential biases or barriers to equal opportunity.

As part of this ongoing evaluation process, we will closely monitor the actual implementation and outcomes of our various initiatives, making adjustments as necessary to drive continuous improvement. This will involve regularly assessing the performance and impact of our programs, seeking feedback from our employees and other stakeholders, and benchmarking our progress against industry best practices.

At the end of the financial year, the number of and distribution of the Group's employees are as follows:

	FY2024	FY2023
Gender		
Male	**40**	40
Female	**22**	27
Employment Type		
Full-time	**62**	67
Age Group		
18-30	**4**	4
31-45	**24**	24
46-60	**23**	28
>60	**11**	11
Geographical Region		
Hong Kong	**58**	62
Mainland China	**3**	3
Taiwan	**1**	2
Total	**62**	67

During FY2024, the Group's employee turnover rate is as follows:

	FY2024
Gender	
Male	**0%**
Female	**23%**
Employment Type	
Full-time	**8%**
Age Group	
18-30	**0%**
31-45	**0%**
46-60	**22%**
>60	**0%**
Geographical Region	
Hong Kong	**7%**
Mainland China	**0%**
Taiwan	**100%**

In our ongoing efforts to enhance the transparency and reliability of our social impact metrics, we have adopted a revised calculation methodology as outlined in Appendix 3, Reporting Guidance on Social KPIs. The formula of turnover rate is L(x)/E(x)* 100 which L(x) is the employees in the specified category leaving employment and E(x) is the number of employees in the specified category. By aligning our social performance indicators with the recommended calculation standards, we demonstrate our commitment to providing stakeholders with accurate and meaningful ESG disclosures that allow for meaningful year-over-year analysis and benchmarking.

(2) Compensation, Welfare and Other Benefits

The Group attracts and retains outstanding talents with competitive remuneration packages to employees. We examine the salary levels of employees regularly to ensure they are up to the market standard. The Group benchmarks up-to-date remuneration data in its industry and strives to maintain a fair, reasonable and competitive remuneration scheme. Staff remuneration is structured based on the staff's knowledge, skills, work experiences and educational background with reference to our job requirements. Basic remuneration and benefits of employees include basic salary, paid vacation days, and insurance, etc. With respect to our medical insurance benefits for employees, depending on the nature of their medical claim, we provide our employees either a partial reimbursement or full reimbursement of their medical expenses arising from illnesses, accidents or emergencies. The Group pays contributions to the Mandatory Provident Fund schemes for all employees as retirement protection benefit. Moreover, our Group offers partial or full reimbursement of educational expenses for our workforce. This initiative is designed to support our employees in upgrading their skills and knowledge, which can in turn generate potential revenue for the organisation through the application of these enhanced capabilities.

(3) Working Hours and Rest Periods

The Group pays attention to its employees' health and encourages its employees to have a good work-life balance. Additionally, the Group has maintained a five-day work week, and complies with the Hong Kong Employment Ordinance to protect employees' rights of rest days and holidays. All employees are entitled to rest days and certain leaves such as maternity leave, paternity leave, marriage leave, etc.

2. Health and Safety

As the operations of the Group are mainly executed in an office setting while no labor-intensive work is involved, the Group's occupational health and safety risks are relatively low. However, we continue to uphold one of our most important core values which is to protect and promote the health, workplace safety and well-being of our employees in the working environment. It is our stance that our employees' health and workplace safety are our priorities and we have created a comfortable and safe working environment for our employees.

The Group takes a comprehensive preventive approach on staff health and workplace safety, including illness and injury prevention. We have clear evacuation procedures to enable our employees to take sensible and immediate action in case of a fire accident. All employees of the Group take part to give unconditional support to build a healthy and smoke-free working environment. We recognise that the air quality in our offices may affect our employees' health. Furthermore, we promote the concept of "Green and Low Carbon Office" by decorating our offices with indoor plants to provide our staff a comfortable working environment.

There were no lost days due to work injury during FY2024, and no work-related fatality occurred in each of the past three financial years (including FY2024).

3. Development and Training

A high caliber corporate team is critical to the sustainable and long-term business development of the Group. To this end, the Group has established a long-term talent development training strategy and has also encouraged its staff to continue to study and take on lifelong learning. New hires are provided with on-the-job training. The human resources department together with the supervisors of each business unit have provided employees with an introduction to the Group's corporate culture, as well as helping them gain industry knowledge and briefing new employees about their job duties. As part of the Group's businesses are managed through registered institutions under the Securities and Futures Ordinance and licensed insurance intermediaries, the Group has policies in place to maintain and enhance its employees' technical knowledge and professional expertise; and also provide assurance to investors that our professional staff have the necessary technical knowledge, professional skills and business ethics; and are able to discharge their job duties efficiently and with integrity.

During FY2024, our professional staff have participated in various internal/external training in the form of seminars. The training topics include Cybersecurity and Data Protection. Our Group has also placed a strong emphasis on enhancing our cybersecurity resilience. This has become increasingly critical given the growing prevalence and sophistication of cyber threats, as well as the evolving regulatory landscape in this domain. To ensure our workforce is well-equipped to support the Group's strategic objectives, we have implemented a comprehensive training and development program. Our training topics closely follow the trends in the financial industry, covering areas such as trading analysis, the rules and compliance requirements of the Stock Exchange. In addition, we provide tuition fee subsidies to the employees who are interested in taking courses that are relevant to our business or their job duties. We believe that encouraging our employees to take relevant courses to enhance their professional knowledge and skills will bring potential benefits and contributions to the Group. We have introduced subsidies to encourage our employees to participate in a diverse range of courses, including those focused on accounting and language skills. We are empowering our employee to enhance their capabilities and stay abreast of evolving industry demands.

During this reporting period, the percentage of trained employees is 34%. During FY2024, the percentage of the Group's employees trained is as follows:

	FY2024	FY2023
Gender		
Male	**67%**	68%
Female	**33%**	32%
Employee Category		
Senior Management	**14%**	12%
Middle Management	**57%**	48%
Ordinary	**29%**	40%

During this reporting period, the average training hour of the employee is 6.1 hour per employee. The average training hours per the group's employee according to gender are as follows:

	FY2024	FY2023
Gender		
Male	**6.35**	6.50
Female	**5.64**	3.96
Employee Category		
Senior Management	**9.86**	8.00
Middle Management	**9.39**	6.96
Ordinary	**2.91**	3.89

Notes:

The percentage of the Group's employees trained refers to the number of Group's employees trained within the reporting year divided by the sum of Group's number of employees at the end of the reporting year and the number of employees resigned within the reporting year. For FY2024, the percentage of employees trained are calculated by T/E * 100, which means that T = employees who took part in the training and E = Number of employees. For the purpose of improving data comparability, our Group has made necessary adjustments to the figures reported for FY2023. The average training hours refers to the number of training hours of the employees within the reporting year divided by the sum of the Group's number of employees at the end of the reporting year and the number of employees resigned within the reporting year. For FY2024, the average training hours is calculated by TH/(x)/E(x) which means that TH(x) = total number of training hours for employees in the specified category and E(x) = number of employees in the specified category. For the purpose of improving data comparability, our Group has made necessary adjustments to the figures reported for FY2023.

4. Labor Standards

The Group respects human rights and prohibits unethical hiring practices including child and forced labor. The human resources department reviews the identity documents of the applicants during its hiring process to prevent child labor. Furthermore, we have implemented various measures to prevent any forms of forced labor. For example, detention of employee's identity card or other identification documents is strictly prohibited, employment contract is signed by the employee on a fair and voluntary basis, any form of physical abuse, assault, body search or insult, or forcing an employee to work by means of violence, threat or unlawful restriction of personal freedom are all forbidden. Our employees may be asked to work on a Sunday or a statutory holiday due to special events, and their consent must be obtained in advance to avoid forced overtime work. Our employees are compensated in accordance with the applicable labor laws and regulations. In case any possible violations are found, the Group will immediately take countermeasures to rectify and eliminate such violations as soon as possible, so as to ensure compliance operations.

5. Compliance

During FY2024, the Group was not involved in any non-compliance incidents relating to employment, health and safety, and labor standards that have a significant impact on the Group.

V. OPERATING PRACTICES

1. Supply Chain Management

The Group has communicated with service providers and business partners its environmental issues and expectations, and hopes that its service providers and business partners can cooperate with the Group to work together to fulfil the Group's social responsibility to its communities. The Group also aims to maintain long-term, stable and strategic cooperative relationships with its service providers and business partners, and cooperates with its service providers and business partners on the basis of equality to achieve a win-win situation. In order to establish an efficient and green supply chain system, we select service providers and business partners that have good credit history, good reputation, high service quality, proven track records of environmental compliance and sound commitment to social responsibility. We do not conduct performance reviews of our service providers and business partners on a regular basis, as we channel our time and resources towards effectively controlling our Group's product and service quality. There were no major suppliers due to the nature of the Group's businesses.

2. Service Responsibility

The Group is dedicated to providing high quality and professional services with the highest degree of integrity at competitive rates. We always strive to exceed our clients' expectations. Moreover, client satisfaction is vital to our future growth and to maintain sustainable development. We summarise below our approach in achieving this aim and the significant efforts that we have put into its operations:

(1) Licenses and Registrations

We have established a team of financial specialists and insurance intermediaries that possess the necessary licenses required by laws and regulations. They are dedicated to providing quality and professional financial services including investment services and insurance products to our clients. To avoid any doubt regarding the fitness, appropriateness and professional qualifications of our financial specialists and insurance intermediaries, they are mandated to undertake sufficient hours of continuous professional training each year for regulated activities (refer to the section "Development and Training" above for details). We also hold money lending licenses which enable us to provide relevant services to our clients in compliance with laws and regulations.

(2) Know your Client

Under our financial services, mortgage financing and insurance brokerage core businesses, the Group conducts "know your client" background reviews prior to opening accounts for new clients and prior to offering new clients our insurance products. This is to ensure that the most suitable financial services and insurance products are provided to clients and to build up our customers' confidence in our financial team. Prior to account opening and product offering, we carefully verify the client's identity, business nature, investment objectives, insurance objectives and experience, risk tolerance level, financial status, occupation, age, etc. and obtain relevant documents as proof and for our record keeping. We review and update our client profiles periodically.

For the insurance brokerage services, the Group conducts suitability assessment before giving regulated insurance advice. In conducting the assessment, the licensed technical representatives take reasonable steps to understand our client's objectives, needs and wants, as well as their financial situation. After such assessment, the licensed technical representatives will source a sufficient range of relevant insurance products from a sufficient range of insurers to offer our clients.

The Group upholds high standards of integrity and professionalism throughout its businesses. In addition to the very strict account opening procedures that we have, we also have our anti-money laundering policy and procedures for our staff to follow for preventing financial crimes.

(3) Customer Data Protection and Privacy Policies

We handle our clients' personal data carefully with caution and in accordance with the "Personal Data (Privacy) Ordinance" (Cap. 486) and requirements under other applicable laws and regulations. All client personal data are kept confidentially and securely. We have to inform clients about the purpose of collecting their personal data and to whom their data will be transferred (if the recipient is related to the Company). All client personal data collected can only be used for the sole purpose as agreed in advance. We have to obtain the client's consent prior to disclosing such information to other parties whenever necessary. We have also established stringent data management policy, and set up adequate IT access control and measures to prevent data leakage and to prevent the hacking of our information system. For example, physical access control, firewall, anti-virus software, regular security patch, etc. We also provide information security guidelines to educate and remind our employees about the importance of information security.

(4) Customer Complaints

We established our policies and procedures in handling client complaints with reference to our code of conduct. The directors and top management of our subsidiaries are informed immediately once client complaints are received and the details and relevant documents must be properly kept. The complainers must be told how they can follow up and check the status of their cases with the inspection department. All client complaints have to be investigated immediately and handled properly following the instruction of the directors or top management of our subsidiaries. The inspection department might assist in the investigation whenever needed. All staff involved in the complaints are not allowed to participate in the investigation. In case that the incident cannot be remediated promptly, the complainers will be informed about alternative solutions that are available to the complainers under the applicable regulatory system.

The Group did not receive service-related complaints during FY2024.

(5) Integrity

To ensure the sustainable growth of the Group's businesses, we require all of our employees to conduct our businesses with integrity and in compliance with the applicable laws and regulations. As employees, it is important that they understand the Group's core values. To this end, we have communicated the Group's core values to our employees. All staff members of the Group, including directors, management and general staff are required to adhere to our internal code of conducts. In case of conflict between the code of conducts and the laws and regulations from the regulators, the stricter of the two must be followed to an extent that the local laws and regulations are not violated.

(6) Intellectual Property Rights

The Group respects intellectual property rights. Employees are not allowed to possess or use copyrighted material without the permission of the copyright owners. By safeguarding our intellectual property in accordance with the Trade Marks Ordinance (Chapter 559) of the Hong Kong Special Administrative Region, we aim to preserve the value and integrity of our brand assets, which are central to our corporate identity and business operations.

(7) Compliance

During FY2024, the Group was not involved in any violation or non-compliance incidents relating to customer services that had significant impact on the Group. Furthermore, the Group did not receive any complaints concerning breaches of customer data privacy, loss of customer data and intellectual property rights.

3. Anti-corruption

The Group firmly believes fairness, honesty and integrity are the important commercial assets of the Group. To comply with the "Prevention of Bribery Ordinance" enforced by the Hong Kong Independent Commission Against Corruption and other applicable laws and regulations, we have strengthened our internal control system, built honesty and trust, set up our operation mission with abidance by law, integrity and quality services as its cores. Incorporating with the practical circumstances of the Group, we have strengthened the system, brought the discipline inspection and supervision works into the operation process, ensured there were channels for reporting in strict confidentiality of cases of obtaining personal interests in carrying out one's job duties, briberies, extortion, fraud, money laundering in breach of policies, laws and regulations. Disciplinary actions such as termination of employment will be taken against those employees who are in breach of the Group's code of conducts. We will keep on improving our whistleblowing system and are determined to combat corruption and contribute to building a clean society. To comply with the anti-corruption laws including the "Prevention of Bribery Ordinance" (Cap. 201) enforced by the Hong Kong Independent Commission Against Corruption, and other anti-money laundering and counter-terrorist financing activities ordinances including the "Anti-Money Laundering and Counter-Terrorist Financing Ordinance" (Cap. 615), the "Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Ordinance 2018", the "Drug Trafficking (Recovery of Proceeds) Ordinance" (Cap. 405), the "Organized and Serious Crimes Ordinance" (Cap. 455), the "United Nations (Anti-Terrorism Measures) Ordinance" (Cap. 575), the "United Nations Sanctions Ordinance" (Cap. 537), the "Weapons of Mass Destruction (Control of Provision of Services) Ordinance" (Cap. 526) and the Code of Conduct for Persons Registered with the Securities and Futures Commission, and to protect the interests of stakeholders, our employees are required to strictly comply with policies and procedures relevant to each particular transaction including the verification of the client's identity, assessment of the client's honesty, integrity, commercial ability and creditworthiness; and to keep documents and records properly. The Group has established the "Compliance Manual" and "Guidelines on Prevention of Money Laundering". To avoid dealing with potential money launderers, terrorist financiers or handling funds derived from any criminal activity, we refuse to operate any accounts for anonymous clients or in obviously fictitious names. Our employees are required to bring any suspicious transaction to the urgent attention of the compliance manager for review. The compliance manager will conduct a thorough investigation and determine whether suspicion remains. We have been providing appropriate training to our employees in the dealing department so that they understand the money laundering and counter-terrorism techniques; and we also remind our employees of their responsibilities with respect to anti-corruption. We shall update our employees to alert them of any new money laundering techniques being used from time to time. The Group will arrange for its frontline employees to attend a seminar in relation to the anti-money laundering issues each year to refresh their understanding of those issues.

During FY2024, the Group organised internal training of professional ethics and anti-corruption for its directors and employees. Our employees also participated in external training such as anti-money laundering and counter-terrorist financing, and ordinance and relevant requirements, cyber security and commercial email fraud, corporate misconduct and fraud, etc. Our training includes the proliferation of financing risks, money laundering threat, red flag and regulatory compliance concerning virtual applications, etc. During FY2024, the Group and its employees were not involved in any litigation cases of corruption.

VI. COMMUNITY INVESTMENT

As a responsible corporate citizen, the Group invests its time, energy and resources to care for the community. We take a proactive approach to support the communities where we operate.

Through our community investment activities, we wish to set a good example for others to follow, promote environmental protection and help build a greener world.

In FY2024, our Group continued its longstanding participation in the "Lai See Reuse and Recycle Campaign" organised by Greeners Action. This marked the 9th consecutive year that we have supported this initiative, which aligns seamlessly with our commitment to promoting recycling and reuse practices.

The Lai See Reuse and Recycle Campaign focuses on collecting and repacking the traditional red packets used during the Lunar New Year celebrations, and then distributing them back to the public for further recycling and reuse. By actively contributing to this campaign, we are able to not only embrace cultural traditions, but also raise awareness about the importance of environmental protection and responsible consumption.

Poster of "Lai See Reuse and Recycle Campaign"

Lai See collection box for the campaign

As a participating organisation, we are proud to be part of this meaningful initiative that combines environmental stewardship with the preservation of cultural heritage. Through our ongoing support, we demonstrate our Group's dedication to implementing sustainable practices and engaging the community in collective efforts to safeguard the planet.

In addition to our ongoing recycling initiatives, our Group actively participated in the "Green Low Carbon Day" organised by the Community Chest of Hong Kong and The Hong Kong Jockey Club. We encouraged our employees to take part in this event, which aimed to raise funds for "Green Related Projects" supported by The Community Chest.

Environmental,
Social and
Governance Report

These projects are designed to create a greener and more sustainable environment in Hong Kong by supporting initiatives such as renewable energy projects and wastewater treatment efforts. By contributing to this impactful event, our Group demonstrated our steadfast commitment to environmental stewardship and the betterment of our local community.

Our participation in the "Green Low Carbon Day" underscores our holistic approach to sustainability, where we actively seek opportunities to engage our workforce and the broader community in initiatives that drive positive environmental change. We believe that collaborative efforts involving businesses, non-profits, and citizens are crucial to addressing pressing climate and sustainability challenges.

Green Low Carbon Day

In addition, we paid tax in accordance with the applicable laws and regulations since our incorporation, and spared no effort in easing local employment pressure. We have enrolled our staff in the Mandatory Provident Fund scheme, helping them to prepare and plan for their retirement. We run our businesses following good practices, actively promote green energy-saving and environmentally friendly concepts, and achieve a good development order; and to a certain extent, we have contributed to social stability and building a harmonious community.

VII. ENVIRONMENTAL PERFORMANCE DATA SUMMARY

	Unit	FY2024	FY2023
Natural resources consumption			
Electricity[2]:			
Total	MWh	**145.22**	86.66
Intensity[4]	MWh	**2.34**	1.22
Gasoline:			
Total	Tonnes	**13.96**	9.19
Intensity[4]	Tonnes	**0.23**	0.13
Greenhouse gas emissions ("**GHG**")			
Scope 1 [1, 3]			
Total	Tonnes	**37.12**	33.78
Intensity[4]	Tonnes	**0.60**	0.48
Scope 2 [2, 3]			
Total	Tonnes	**112.72**	55.72
Intensity[4]	Tonnes	**1.82**	0.78
Air emissions[3]			
Nitrogen oxides	Kilograms	**12.51**	10.33
Sulfur oxides	Kilograms	**0.21**	0.18
Particulate matters	Kilograms	**0.92**	0.76

Notes:

1 Scope 1 refers to the Group's business direct GHG emissions, including combustion of gasoline.

2 Scope 2 refers to the Group's business indirect GHG emissions, including consumption of purchased electricity. Since the Group has resumed normal operations across our office facilities this year, our total electricity consumption has increased compared to the prior reporting period.

3 The emissions are calculated with reference to the emission factors published by the electricity providers and "Reporting Guidance on Environmental KPIs" issued by The Stock Exchange of Hong Kong Limited.

4 Intensity is based on the number of employees.

REPORT OF THE DIRECTORS

The directors (the "**Directors**") of Styland Holdings Limited ("**the Company**" together with its subsidiaries referred to as the "**Group**") present their report and audited financial statements of the Company and the Group for FY2024.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of the Company's subsidiaries consist of investment holdings, financial services, mortgage financing, insurance brokerage, property investment, and securities trading.

RESULTS AND DIVIDENDS

The Group's results for FY2024 and the state of affairs of the Group as at 31 March 2024 are set out in the consolidated financial statements on pages 84 to 180.

The Directors did not propose a final dividend for FY2024.

The Company rewards its shareholders with cash dividend, scrip dividend, bonus warrants or bonus shares depending on the business performance and liquidity position of the Group. Therefore, there is no assurance as to what extent a particular dividend amount will be declared for any given period. The Directors may review the dividend policy as and when appropriate.

BUSINESS REVIEW

Details of the business review and future development of the Group, as well as its principal risks and uncertainties, are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 2 to 17 of this annual report.

Environmental policy and performance

The Group embeds the culture of environmental protection into its business operation which fulfill its responsibility to the communities. Details of the Group's environmental protection practices are set out in the section headed "Environmental Protection" in the Environmental, Social and Governance Report contained in this annual report.

Relationship with stakeholders

Employees are regarded as valuable assets of the Group. For the Group's key relationship with its employees, please refer to the section headed "Employment and Labor Practices" in the Environmental, Social and Governance Report contained in this annual report.

Moreover, the Group understands the importance of maintaining good relationships with its clients and business partners. The Group continues to provide its clients value-added services and professional services under its licensed businesses and clients have been satisfied with our services. Also, the Group maintains good relationships with its referral agents and insurance intermediaries which are vital for the development of its mortgage financing and insurance brokerage businesses.

Compliance with laws and regulations

For FY2024, as far as the Directors were aware, there were no material non-compliances with the applicable laws and regulations by the Group that has a significant impact on the Group's business and operations, which mainly included the Securities and Futures Ordinance (the "**SFO**"), Money Lenders Ordinance and Insurance Ordinance.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in property, plant and equipment and investment properties of the Group are set out in notes 15 and 16, respectively, to the consolidated financial statements. Further details of the Group's investment property are set out on page 182.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in note 32 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Memorandum of Association and Bye-Laws of the Company (the "**Bye-Laws**") or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

RESERVES

Details of movements in the reserves of the Company during FY2024 are set out in note 37(b) to the consolidated financial statements. Details of movements in the reserves of the Group during FY2024 are set out on page 88.

DISTRIBUTABLE RESERVES

As at 31 March 2024, the Company's reserves available for distribution were HK$58,039,000. Under the laws of Bermuda, the Company's share premium account, in the amount of HK$191,615,000, may be distributed in the form of fully-paid bonus shares.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate, is set out on page 181. This summary does not form part of the audited consolidated financial statements.

DIRECTORS

The Directors of the Company in FY2024 and up to the date of this report are:

Executive Directors

Mr. Cheung Hoo Win (Chief Executive Officer)
Mr. Ng Yiu Chuen

Independent Non-Executive Directors

Mr. Li Hancheng (Non-executive Chairman)
Mr. Lo Tsz Fung Philip
Ms. Ling Sui Ngor

In accordance with the Company's Bye-Laws 99(A), Mr. Li Hancheng, Mr. Ng Yiu Chuen and Ms. Ling Sui Ngor shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (the "**AGM**").

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2024, the interests or short positions of the Director or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required pursuant to section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code (the "**Model Code**") for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") were as follows:

	Nature of Interest	Number of ordinary shares	Number of underlying shares	Total	Percentage
Mr. Cheung Hoo Win (Note)	Interest of controlled corporation	389,799,559	77,959,912	467,759,471	65.79%

Note:

As at 31 March 2024, Kenvonia Family Limited ("**Kenvonia**"), which was beneficially owned as to approximately 33.33% by Mr. Cheung Hoo Win held 389,799,559 shares of the Company and 77,959,912 underlying shares of the Company, representing approximately 65.79% of the issued shares of the Company. By virtue of the SFO, Mr. Cheung Hoo Win was deemed to be interested in the shares held by Kenvonia.

All the interests stated above represented long positions. As at 31 March 2024, no short positions were recorded in the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept under Section 352 of the SFO.

Save as disclosed above, as at 31 March 2024, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except as disclosed elsewhere in this report, none of the Directors had a material interest, either direct or indirect, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party in FY2024.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2024, so far as is known to the Directors, the following entity and persons (not being a Director or chief executive of the Company) had an interest or a short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO or as otherwise notified to the Company and the Stock Exchange.

The register of substantial shareholders maintained under Section 336 of the SFO shows that, as at 31 March 2024, the Company had been notified of the following interests in the Company:

	Nature of Interest	Number of ordinary shares	Number of underlying shares	Total	Percentage
Kenvonia	Beneficial owner	389,799,559	77,959,912	467,759,471	65.79%
Ms. Cheung Lok Chi	Interest of controlled corporation (Note 1)	389,799,559	77,959,912	467,759,471	65.79%
Mr. Cheung Hoo Yin	Interest of controlled corporation (Note 1)	389,799,559	77,959,912	467,759,471	65.79%
	Beneficial owner (Note 2)	38,816,381	7,763,276	46,579,657	6.55%
		428,615,940	85,723,188	514,339,128	72.34%

Notes:

1 Each of Ms. Cheung Lok Chi and Mr. Cheung Hoo Yin owned approximately 33.33% of the interests in Kenvonia. By virtue of the SFO, both Ms. Cheung Lok Chi and Mr. Cheung Hoo Yin were deemed to be interested in the shares held by Kenvonia.

2 In addition to the interest in Kenvonia, Mr. Cheung Hoo Yin personally held 38,816,381 ordinary shares and 7,763,276 underlying shares of the Company.

Save as disclosed above, as at 31 March 2024, so far as is known to the Directors, the Directors were not aware of any other entities or persons (not being a Director or chief executive of the Company) had interest or short position in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of the Company.

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.

SHARE OPTION SCHEME

The Company operated a share option scheme (the "**Scheme**") which enabled the Company to grant options to the participants in recognition of their contributions to the Group. Pursuant to the Scheme, the Directors might, within a period of 10 years from 21 September 2012 (the "**Adoption Date**"), grant options to any director or employee, adviser, consultant, agent, contractor, customer and supplier of the Group so that they could subscribe for the shares of the Company. The Scheme expired on 21 September 2022.

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on the Adoption Date, the total maximum number of shares (the "**Scheme Limit**") which might be issued upon exercise of all the options to be granted under the Scheme and any other share option schemes of the Company was 370,977,308 shares representing 10% of the issued share capital of the Company as at the Adoption Date. At the annual general meeting held on 15 September 2017, the Shareholders approved to refresh the Scheme Limit to 482,125,176 shares. The Scheme Limit was further refreshed to 639,480,610 shares at the annual general meeting held on 24 September 2020, and was subsequently consolidated into 63,948,061 shares upon the share consolidation having become effective on 28 September 2020.

The maximum number of shares issuable under the Scheme to each eligible participant within any 12-month period is limited to 1% of the shares in issue at such date of grant. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. Share options granted to a director, chief executive or substantial shareholder, or to any of their associates, are subject to approval in advance by the independent non-executive Directors (the "**INEDs**").

The exercise price of the share options is determined by the Directors. However, the exercise price could not be less than the higher of (i) the Stock Exchange closing price of the shares on the date of grant of the share options; and (ii) the average Stock Exchange closing price of the shares for the five trading days immediately preceding the date of the grant.

The share options do not confer rights onto the share option holders to receive dividends or vote at shareholders' meetings.

Under the Scheme, the offer of a grant of share options might be accepted within 21 days from the date of the offer, upon payment of a consideration of HK$1 in total by the grantee. An option which was vested and had not lapsed might be exercised at any time during such period notified by the Board as not exceeding 10 years from the date of grant.

On 16 May 2019, the Company granted share options (the "**Share Options**") to employees and a consultant under the Scheme. The Share Options were vested immediately upon the date of grant and then exercisable within a period of three years, which lapsed on 16 May 2022. The adjusted closing price of the shares of the Company immediately before the date on which the Share Options were granted was HK$0.84. Each Share Option gave the holder the right to subscribe for one ordinary share in the Company.

The following table sets out the movements in the Share Options during FY2023:

					Adjusted number of share options				
Category of participants	Date of grant	Exercise period	Adjusted exercise price HK$	Adjusted average closing price for five business days preceding the date of grant HK$	At 1 April 2022	Granted during the year	Exercised during the year	Lapsed or cancelled during the year	At 31 March 2023
Employees	16 May 2019	16 May 2019 to 16 May 2022	0.83	0.83	30,565,000	–	–	(30,565,000)	–

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.

MAJOR CUSTOMERS

In FY2024, revenue from the Group's single largest and five largest customers combined accounted for approximately 3.22% and approximately 13.05%, respectively, of the Group's total revenue. In the Directors' opinion, the Group has no major suppliers in light of the nature of the Group's businesses.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 64 to 73.

CONTINUING CONNECTED TRANSACTIONS

On 29 December 2023, an indirect wholly-owned subsidiary of the Company, as landlord entered into a tenancy agreement (the "**Tenancy Agreement**") with K.C. (Asset) Limited as tenant (the "**Tenant**") in relation to the rent of House 4, Customs Pass, No. 18 Fei Ngo Shan Road, Sai Kung, New Territories (the "**Property**") for a term of three years commencing from 1 January 2024.

The salient terms of the Tenancy Agreement are set out below:

Date:	29 December 2023
Parties:	(i) Devonia Development Limited ("**Devonia**") Devonia is a company incorporated in Hong Kong with limited liability and is the owner of the Property. Devonia is an indirect wholly-owned subsidiary of the Company. (ii) the Tenant as tenant The Tenant is a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Cheung Chi Shing, who is the father of Mr. Cheung Hoo Win, the executive Director of the Company, and is accordingly a connected person of the Company as defined by the Listing Rules
Property:	the Property
Term:	Three years commencing from 1 January 2024
Rental Deposit:	HK$1,000,000, being a sum equivalent to two months' rent to secure the due observance and performance by the Tenant of the Tenancy Agreement
Rent and Annual Cap:	The monthly rent for the Property shall be HK$500,000, which shall be payable in advance on the 1st day of each and every calendar month. All charges for water, gas and electricity, rates, government rent, management fees and outgoings of a capital and non-recurring nature shall be paid by Devonia. Based on the monthly rental payment under the Tenancy Agreement, the maximum annual cap for the transactions contemplated under the Tenancy Agreement for each of the three years during the term of the Tenancy Agreement shall be HK$6,000,000. The monthly rent under the Tenancy Agreement was determined after arm's length negotiations with reference to the monthly rental of other similar premises in the Hong Kong market and the professional valuation report issued by an independent valuer.

The Property is held by the Group as investment for rental purposes and the entering into of the Tenancy Agreement will contribute rental income to the Group. Since the Tenant is a connected person to the Company, the Company would prefer to rent the Property to such tenant which the Company is familiar with and which it can ensure punctual rental payment.

The Directors, including the INEDs, consider that the transactions contemplated under the Tenancy Agreement are in the ordinary and usual course of business of the Group and the terms of the Tenancy Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and the independent Shareholders as a whole.

The transactions contemplated under the Tenancy Agreement constitute continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the annual cap for the Tenancy Agreement is less than 25% and the annual consideration is less than HK$10,000,000, the transactions contemplated under the Tenancy Agreement are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from the circular and the independent Shareholders' approval requirements.

Annual Review on the Continuing Connected Transaction

The INEDs have reviewed the continuing connected transactions mentioned above pursuant to Rule 14A.55 of the Listing Rules and confirmed that the aforesaid continuing connected transaction had been entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms or better to the Group; and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

According to Rule 14A.56 of the Listing Rules, the Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by Hong Kong Institute of Certified Public Accountants. The Board has received an unqualified letter from the auditor of the Company in accordance with Rule 14A.56 of the Listing Rules containing the auditors' findings and conclusion on the above continuing connected transactions of the Group, stating that the auditor have not noticed anything that causes them to believe that any of these continuing connected transactions: (a) have not been approved by the Company's board of directors; (b) were not entered into, in all material aspects, in accordance with the relevant agreements governing such transactions; and (c) have exceeded the annual cap as set by the Company for the financial year ended 31 March 2024.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors as at the latest practicable date prior to the issue of this report, the public float of the shares of the Company is sufficient.

AUDITORS

Grant Thornton Hong Kong Limited will retire at the forthcoming AGM. A resolution will be proposed to appoint auditors and to authorise the Board to fix their remuneration.

On behalf of the Board
Ng Yiu Chuen
Executive Director

Hong Kong, 27 June 2024

The board (the "**Board**") of directors (the "**Directors**") of Styland Holdings Limited (the "**Company**" together with its subsidiaries referred to as the "**Group**") is committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, sustainable business growth and enhancing shareholders' value.

The Company has adopted the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance practices. Save as disclosed below, the Company has complied with the applicable code provisions of the CG Code during FY2024.

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.

BOARD OF DIRECTORS

As at 31 March 2024, the Board comprised two executive Directors, namely Mr. Cheung Hoo Win (Chief Executive Officer) and Mr. Ng Yiu Chuen, and three independent non-executive Directors (the "**INEDs**"), namely Mr. Li Hancheng (Non-executive Chairman), Mr. Lo Tsz Fung Philip and Ms. Ling Sui Ngor. The Directors believe that the composition of the Board has a balance of skills and experience that is appropriate for the requirements of the businesses of the Group.

It is the Group's practice that the chairman of the Board (the "**Chairman**") is also an INED. Following our usual custom, the meeting between the Chairman and INEDs has been held annually so that the views of the INEDs in respect of corporate governance improvements, the effectiveness of the Board and any other issues the INEDs may wish to raise will be further discussed by the Board. In addition, the critical issues discussed in the audit committee meetings with the external auditor would be reported to the Board.

As the majority of the Board members are INEDs, there is a strong independent element within the Board, which can effectively exercise independent judgment and monitor the corporate governance of the Group. All INEDs are appointed for a specific term of two years and each of them has made a confirmation on independence. After reviewing their confirmations on independence, the Company believes that they are still independent under Rule 3.13 of the Listing Rules.

For FY2024, 12 board meetings and two general meetings of the Company were held. Details of the Directors' attendance records are as follows:

	Number of board meetings attended	Number of general meetings attended
Executive Directors:		
Mr. Cheung Hoo Win (Chief Executive Officer)	12/12	2/2
Mr. Ng Yiu Chuen	12/12	2/2
Independent Non-Executive Directors		
Mr. Li Hancheng (Non-executive Chairman)	12/12	2/2
Mr. Lo Tsz Fung Philip	12/12	1/2
Ms. Ling Sui Ngor	12/12	2/2

Change in Director's information

Pursuant to the relevant requirement under the Listing Rules, the changes in Director's information since 1 April 2023 are set out below:

– With effect from 4 September 2023, Mr. Li Hancheng, the INED, ceased to be the independent non-executive director of China Minsheng Banking Corp., Ltd., a company listed on the Main Board of the Stock Exchange under the stock code: 1988 and Shanghai Stock Exchange under the stock code: 600016.

– With effect from 20 September 2023, Mr. Li Hancheng ceased to be the outside director of Beijing Electronics Holding Company Limited. With effect from 21 September 2023, he was appointed as an outside director of Beijing Capital Highway Development Group Company Limited.

– With effect from 1 April 2023, the monthly salary of Mr. Ng Yiu Chuen, the executive Director, has been increased from HK$101,000 to HK$106,000.

– With effect from 1 April 2023, the monthly salary of Mr. Cheung Hoo Win, the executive Director, has been increased from HK$51,500 to HK$56,000.

FUNCTIONS OF THE BOARD

To avoid concentration of power in any one individual, a clear division of responsibilities between the Non-executive Chairman and the Chief Executive Officer is crucial to the effective running of the Board and the day-to-day management of the Group's businesses. During FY2024, the positions of the Non-executive Chairman and the Chief Executive Officer of the Company were held by two different Directors, namely Mr. Li Hancheng and Mr. Cheung Hoo Win. Their roles and duties are segregated with a clear division of responsibilities.

The Board meets regularly to discuss the overall strategy as well as the operation and business performance of the Group, and to approve the Group's annual and interim results and other matters which need to be dealt with. The Board has delegated the day-to-day responsibilities to the management through the operation manuals which are reviewed from time to time to ensure that they meet the requirements of the Group's business development.

The Group strives to promote the culture of continued professional development among the members of the Group including the Directors. To ensure that the Directors' contribution to the Board remains informed and relevant, all of the Directors have engaged in continuous professional developments that were relevant to their performance of duties as Directors. According to the training records provided by the Directors, Mr. Lo Tsz Fung Philip and Ms. Ling Sui Ngor have also attended training courses, seminars or conferences to develop and refresh their knowledge and skills. In FY2024, certain materials on legislative and regulatory updates were circulated to the Directors for them to update themselves on changes of regulations. In addition, the Group has in place the continued learning sponsorship scheme to sponsor the members of the Group including the Directors for their continuous professional development.

The Board is also responsible for performing the corporate governance duties as required under the CG Code. The major roles and functions of the Board in respect of corporate governance are:

- to develop and review the Company's policies and practices on corporate governance;
- to review and monitor the training and continuous professional development of the Directors or senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to develop, review and monitor the code of conduct and compliance manual applicable to the employees and Directors; and
- to review the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

In FY2024 and up to the date of this report, the Board has performed the corporate governance duties.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy which sets out its approach to achieving diversity on the Board. The Company recognises that increasing the diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The effectiveness of the Board diversity policy has been reviewed by the Nomination Committee annually.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on the merit and contribution that the selected candidates will bring to the Board while taking into account diversity.

A female INED who possesses the necessary skills, experience and caliber appropriate to the Group's business has been appointed. The Board believes that the Company has achieved its Board gender diversity. The Group recognises the importance of the gender diversity not just at the Board level but also at its workforce level. As at 31 March 2024, 35% of the Group's employees were female. The Company promotes an inclusive culture in the workplace and encourages staff to speak up if they have concerns.

BOARD'S APPROACH TO ESG

The Board has the overall responsibility for the Environment, Social and Governance (the "**ESG**") strategy, reporting and determining the management approach taken in this area.

The Board believes that corporate governance and ESG are complementary, with corporate governance linked to good governance of environmental and social issues, which touch on all aspects of the Group's businesses. The Board should take into consideration the environmental and social risks or impacts, and embed these ESG factors including environmental protection culture into its business operation, and should consider how the Group is to interact with its own people and the communities in which it operates and how they are governed.

The Report of the Directors contains statements from the Board on the Group's environmental policy and performance, its relationship with stakeholders and its compliance with laws and regulations.

The Group has evaluated a number of environmental, social and operational related issues, and assessed their importance to stakeholders and the Group through various channels. This assessment helps to ensure that the Group's business objectives and development directions are in line with the expectations and requirements of its stakeholders. The expectations and concerns of the stakeholders and the Group's response are set out in the section headed "Stakeholders' Engagement" contained in the ESG Report.

BOARD COMMITTEES

Audit Committee

The Company has the Audit Committee comprising all INEDs. The principal duties of the Audit Committee are to review the Group's interim and annual results, internal controls and make recommendations to the Board. The detailed terms of reference of the Audit Committee are available for inspection on the websites of Company and the Stock Exchange respectively.

Three Audit Committee meetings were held for FY2024. The attendance of each member of the Audit Committee is set out as follows:

Members of the Audit Committee	Number of Audit Committee meetings attended
Mr. Lo Tsz Fung Philip (Chairman)	3/3
Mr. Li Hancheng	3/3
Ms. Ling Sui Ngor	3/3

The Audit Committee had performed the following work in FY2024:

(i) reviewed and approved the audit scope and fees proposed by the external auditor for the annual audit for the year ended 31 March 2024;

(ii) discussed with the external auditor any major audit issues of the Group;

(iii) reviewed the change in accounting standards and assessment of potential impacts on the Group's consolidated financial statements;

(iv) reviewed and recommended for the Board's approval of the consolidated financial statements and the related results announcement for the year ended 31 March 2023;

(v) reviewed and recommended for the Board's approval of the consolidated financial statements and the related results announcement for the six months ended 30 September 2023;

(vi) reviewed the effectiveness of the internal control systems and the risk management of the Group; and

(vii) reviewed the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting functions.

Remuneration Committee

The Company has the Remuneration Committee comprising all INEDs. The Company inspires the culture of pursuing business growth which influences individual performance scores which were linked to rewards. The Remuneration Committee's principal duties are to make recommendations to the Board on the remuneration policy and structure for the Directors and senior management and to ensure that they are fairly rewarded for their individual contribution to the Group's overall performance. It is also the Remuneration Committee's duty to determine the specific remuneration packages of all executive Directors and senior management. The detailed terms of reference of the Remuneration Committee are available for inspection on the websites of the Company and the Stock Exchange respectively.

Three Remuneration Committee meetings were held in FY2024. The attendance of each member of the Remuneration Committee is set out as follows:

Members of the Remuneration Committee	Number of Remuneration Committee meetings attended
Ms. Ling Sui Ngor (Chairman)	3/3
Mr. Li Hancheng	3/3
Mr. Lo Tsz Fung Philip	3/3

The Remuneration Committee had performed the following work in FY2024:

(i) reviewed and approved the adjustment of remuneration to all executive Directors;

(ii) reviewed and approved the remuneration package of an INED; and

(iii) reviewed and approved the payment of bonus to an executive Director.

Nomination Committee

The Company has set up the Nomination Committee comprising all INEDs. The Nomination Committee shall make recommendations to the Board on all new appointments or re-appointments of Directors in accordance with the nomination policy. The Board shall have the final decision on all matters relating to the Nomination Committee's recommendations. The selection criteria are mainly based on the professional qualifications, work experience and time commitment of the candidates as well as the diversity policy adopted by the Board. The Nomination Committee is of the view that the Board diversity policy is followed by the Board for its composition.

For nomination of an INED, the independence of the proposed candidate will be assessed with regard to the factors laid down in the Listing Rules. There are no fixed terms of service for executive Directors while INEDs are engaged for a term of two years, subject to retirement by rotation and re-election in accordance with the provisions of the Bye-Laws of the Company. The detailed terms of reference of the Nomination Committee are available for inspection on the websites of the Company and the Stock Exchange respectively.

One Nomination Committee meeting was held in FY2024. The attendance of each member of the Nomination Committee is set out as follows:

Members of the Nomination Committee	Number of Nomination Committee meeting attended
Mr. Li Hancheng (Chairman)	1/1
Mr. Lo Tsz Fung Philip	1/1
Ms. Ling Sui Ngor	1/1

The Nomination Committee had performed the following work in FY2024:

(i) reviewed the structure, size and composition of the Board to ensure they were suitable for the Group's corporate strategy and development;

(ii) reviewed and recommended for the Board's approval the proposed resolutions for re-election of the retiring Directors at the 2023 annual general meeting;

(iii) assessed the independence of the INEDs; and

(iv) reviewed the Board diversity policy.

Directors' Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules (the "**Model Code**") as its own code for securities transactions by Directors. All members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code in FY2024.

AUDITORS' REMUNERATION

The remuneration paid or payable to external auditors for FY2024 were as follows:

Nature	Amount HK$'000
Grant Thornton Hong Kong Limited	
– Audit services	1,060
– Non-audit services	200
Other auditor	
– Internal controls review	78

COMPANY SECRETARY

Mr. Cheung Chun To has been appointed as the financial controller and company secretary (the "**Company Secretary**") of the Company with effect from 5 August 2023. He is a fellow member of the Association of Chartered Certified Accountants and also a member of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung has taken no less than 15 hours of relevant professional training to update his skills and knowledge during FY2024.

SHAREHOLDERS' RIGHTS

Convening a Special General Meeting of the Company by Shareholders

In accordance with Article 62 of the New Bye-laws of the Company, subject to the provisions of the Companies Act, special general meetings shall also be convened on the requisition of members of the Company holding at the date of deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. The requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists.

Procedures for Making Proposals at Shareholders' Meetings

If a shareholder of the Company wishes to nominate a person to stand for election as a Director, the following documents must be validly sent to the Company's head office or registration office in Hong Kong, namely (i) his/her notice of intention to propose a resolution at the general meeting; and (ii) a notice in writing signed by the nominated candidate of the candidate's willingness to be appointed. The minimum length of the period for lodgment of the notices of (i) and (ii) above shall be at least seven days and that the period of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

To put forward proposals other than the above at a general meeting, shareholders of the Company should submit a written notice of those proposals with their detailed contact information to the Company Secretary at the Company's principal place of business in Hong Kong. The notice period to be given to all the shareholders of the Company for consideration of the proposals raised by the shareholders concerned at general meetings varies according to the nature of the proposals.

To Speak at a General Meeting

In accordance with Article 65A of the New Bye-laws of the Company, all members have the right to (i) speak at a general meeting; and (ii) vote at a general meeting except where a member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.

The Company's Bye-laws

There were no significant changes in the Company's constitutional documents in FY2024.

SHAREHOLDERS AND INVESTORS RELATIONS

The Board adopts an open and transparent communication policy and ensures that there is full disclosure to the public as a way to enhance corporate governance. The Board aims to provide the shareholders of the Company and the public with the necessary information for them to form their own judgment on the Company. Corporate communication materials such as annual reports, interim reports and circulars are issued in printed form and are also available in electronic format on the websites of the Company, the Stock Exchange and irasia.com respectively.

At the annual general meeting that is held annually and the special general meeting that is to be held from time to time, the Directors including the INEDs would attend these meetings to answer the questions raised by shareholders. In addition, we have the shareholders' hotline as well as the dedicated email account for taking enquiries and for receiving feedback from our shareholders.

Procedures for Sending Enquiries to the Board

Enquiries by shareholders to be put to the Board can be sent in writing to the Directors or the Company Secretary at the principal place of business in Hong Kong. The shareholders may make any enquiry about the Company through the following hotlines:

Telephone:	(852) 2959 3123
Facsimile:	(852) 2310 4824
E-mail address:	shareholder@styland.com

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered shareholders of the Company can contact the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited.

The Board is responsible for regularly reviewing the effectiveness of the shareholders communication policy.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges its responsibility for the preparation of the financial statements for each financial period, which shall give a true and fair view of the state of affairs of the Company. During FY2024, other than the disclosure in Note 2.1 to the consolidated financial statements, the Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis.

All of the Directors acknowledged their responsibility for preparing the financial statements of the Company for FY2024.

The statement of the external auditor of the Company about its reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 78 to 83 of this annual report.

The Company announces its interim and annual results as soon as reasonably practicable after the end of the relevant financial period and the financial year respectively pursuant to the requirements of the Listing Rules, disclosing all such information as would enable the shareholders of the Company to assess the performance, financial position and prospects of the Company.

Risk Management and Internal Controls

The Board also acknowledges its responsibility for overseeing the risk management of the Group and internal controls on an ongoing basis and reviewing their effectiveness at least annually. The management continues to allocate resources for the risk management and internal control systems to provide reasonable, though not absolute, assurance against misstatement or loss and to manage rather than eliminate the risk of failure to achieve business objectives.

Risks associated with the business activities of the Group are identified and evaluated by each operating unit. The identified risks together with their control measures will be reported to the Audit Committee and the Board for approval. The Audit Committee and the Board would regularly review the risk factors and their control measures to respond to the changes in its businesses and the external environments.

The Board, through the Audit Committee, has delegated the internal audit function to an independent external assurance provider, who has conducted a review on the adequacy and effectiveness of the Group's risk management and internal control systems for FY2024.

A risk-based approach is adopted for the internal audit of the Group. The annual work plan covers the major activities and process of the operation of the Group, business and service segments and corporate governance. The results of these audit activities were communicated to the Audit Committee and will be followed up for proper implementation.

Based on the report from the outsourced internal auditor, the Board considers the internal control and risk management systems of the Group adequate and effective, and the Group has complied with the CG Code.

The Audit Committee has discussed with the management about the adequacy of the resources, staff qualifications and experience, training programmes on the Group's accounting, financial reporting and internal control functions.

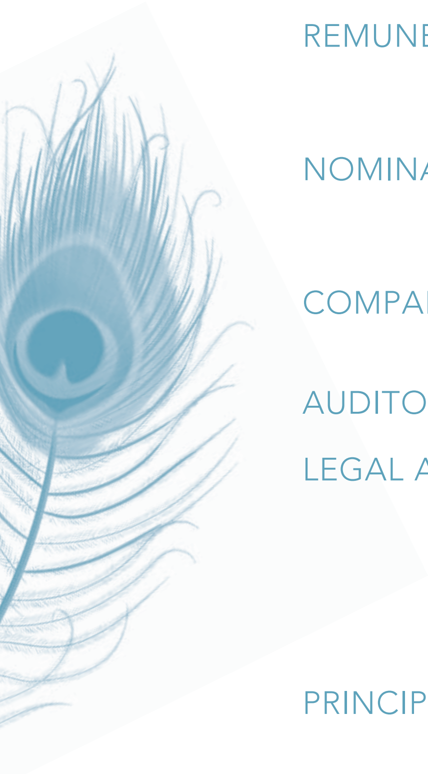
Handling and Dissemination of Inside Information

The Group had, from time to time, reminded the management of the requirements of the Listing Rules and guidelines on inside information issued by the Stock Exchange and the Securities and Futures Commission. The blackout notice period and Model Code are sent to the Directors regularly to arouse their awareness to preserve confidentiality of inside information. Inside information (if any) is only disseminated to specified persons on a need-to-know basis.

On behalf of the Board
Cheung Hoo Win
Chief Executive Officer

Hong Kong, 27 June 2024

CORPORATE INFORMATION



BOARD OF DIRECTORS

Executive Directors
Mr. Cheung Hoo Win (Chief Executive Officer)
Mr. Ng Yiu Chuen

Independent Non-Executive Directors
Mr. Li Hancheng (Non-executive Chairman)
Mr. Lo Tsz Fung Philip
Ms. Ling Sui Ngor

AUDIT COMMITTEE

Mr. Lo Tsz Fung Philip (Chairman)
Mr. Li Hancheng
Ms. Ling Sui Ngor

REMUNERATION COMMITTEE

Ms. Ling Sui Ngor (Chairman)
Mr. Li Hancheng
Mr. Lo Tsz Fung Philip

NOMINATION COMMITTEE

Mr. Li Hancheng (Chairman)
Mr. Lo Tsz Fung Philip
Ms. Ling Sui Ngor

COMPANY SECRETARY

Mr. Cheung Chun To (appointed on 5 August 2023)
Mr. Wang Chin Mong (resigned on 5 August 2023)

AUDITOR

Grant Thornton Hong Kong Limited

LEGAL ADVISERS

As to Hong Kong Law
Michael Li & Co.
TC & Co.

As to Bermuda Law
Appleby

PRINCIPAL BANKERS

OCBC Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
Chong Hing Bank Limited
Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

PRINCIPAL REGISTRAR

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

HONG KONG BRANCH REGISTRAR	Tricor Tengis Limited 17/F, Far East Finance Centre 16 Harcourt Road Hong Kong
REGISTERED OFFICE	Victoria Place, 5th Floor 31 Victoria Street Hamilton HM 10 Bermuda
PRINCIPAL PLACE OF BUSINESS	Room 1111, 11/F Wing On Centre 111 Connaught Road Central Sheung Wan Hong Kong Telephone: (852) 2959-7200 Facsimile: (852) 2310-4824 E-mail address: sty@styland.com
SHAREHOLDERS' SERVICE HOTLINE	Telephone: (852) 2959 3123 Facsimile: (852) 2310 4824 E-mail address: shareholder@styland.com
WEBSITE	http://www.styland.com
INVESTORS' WEBSITE	https://www.irasia.com/listco/hk/styland/

BOARD OF DIRECTORS

MR. CHEUNG HOO WIN

Chief Executive Officer and Executive Director

Mr. Cheung, aged 44, joined the Group in 2004. He was appointed executive Director in 2006 and Chief Executive Officer in 2009. Mr. Cheung graduated from Peking University (Department of International Economics and Trade). During his studies at Peking University, Mr. Cheung developed good business connections in the People's Republic of China (the "**PRC**"). Previously, he worked for China Development Research Foundation, the subordinate unit of the Development Research Centre of the State Council, and was the vice-president of the Macau Energy Saving Association. Mr. Cheung is a member of the Hong Kong United Youth Association.

Mr. Cheung is responsible for the entire Group's business and development. He is also responsible for the Group's China related businesses as well as dealing with the Group's mainland customers which also have their operations in Hong Kong. Mr. Cheung is also one of the directors of the subsidiaries of the Company.

Mr. Cheung together with his sister Ms. Cheung Lok Chi, and his brother Mr. Cheung Hoo Yin, on equal percentage, hold shareholding interests in Kenvonia Family Limited, the single largest shareholder of the Company.

MR. NG YIU CHUEN

Executive Director

Mr. Ng, aged 65, joined the Group in 2010 as associate director of a subsidiary. He was appointed executive Director in December 2010. Mr. Ng obtained a bachelor's degree in Business Administration from City University of Hong Kong and was elected as Associate of The Hong Kong Institute of Bankers in 2002.

Mr. Ng has over 44 years of experience in the financing and asset management business. Prior to joining the Group, he had, for more than 18 years, held senior executive management roles and was responsible for overseeing the finance division and managing the portfolios of liquid assets for various well known international companies including GE Capital (Hong Kong) Limited and American Express Bank Limited. Mr. Ng is mainly responsible for the money lending business of the Group. Mr. Ng is also one of the directors of certain subsidiaries of the Company.

MR. LI HANCHENG

Non-Executive Chairman and Independent Non-Executive Director

Mr. Li, aged 61, was appointed independent non-executive Director of the Company in 2008 and the non-executive Chairman of the Company on 31 March 2020. He graduated from Southwest University of Political Science and Law in 1984. Mr. Li had previously worked at the Supreme People's Court of the PRC as a senior judge. He possesses extensive experience and practice in law.

Mr. Li is a lawyer of the Beijing S&P (Haikou) Law Firm and the senior partner of the Beijing S&P Law Firm. He is also a member of China Maritime Law Association, All China Lawyers Association and Hainan Lawyers Association. He is an independent non-executive director of SnowValley Agriculture Group Company Limited and an outside director of Beijing Capital Highway Development Group Company Limited. Mr. Li was an independent non-executive director of China Minsheng Banking Corp., Ltd., a company listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code: 1988, and Shanghai Stock Exchange under the stock code: 600016 from October 2016 to September 2023. He was also an outside director of Beijing Electronics Holding Company Limited from February 2015 to September 2023.

MR. LO TSZ FUNG PHILIP

Independent Non-Executive Director

Mr. Lo, aged 57, was appointed independent non-executive Director in 2009. He graduated from the University of Wollongong, NSW Australia in 1992 with a Bachelor of Commerce degree. Currently, Mr. Lo holds the positions of director and chief executive officer, chief financial officer as well as corporate secretary at China Keli Electric Company Limited, a company listed on the NEX board of TSX Venture Exchange in Canada. Mr. Lo is also the director and listing executive of Great Vision Capital Limited which is a listing advisor approved by the Dutch Caribbean Securities Exchange. Previously, he was an independent director of Dragon Jade International Limited, a company listed on OTCQX in the United States, from 2012 to 2021. He was also an executive director of Golden Century International Holdings Group Limited (stock code 91), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, from 2019 to 2020.

Mr. Lo has extensive experience in the areas of corporate management, financial accounting and auditing. Mr. Lo is a member of the Certified Public Accountants of Australia and a certified public accountant of the Hong Kong Institute of Certified Public Accountants.

MS. LING SUI NGOR

Independent Non-Executive Director

Ms. Ling, aged 52, was appointed independent non-executive Director of the Company in December 2021. She obtained a bachelor's degree in Business Administration (Honours) from Hong Kong Baptist University and a master's degree in Business Administration from the University of London. Ms. Ling has over 30 years of experience in auditing, finance and human resources. Prior to joining the Company, she held managerial roles for PricewaterhouseCoopers and other group companies of multinational corporations listed outside Hong Kong, and has participated in certain initial public offering projects in Hong Kong. Ms. Ling also held senior executive management roles for certain well-known education and cultural organisations.

Ms. Ling is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a professional member of the Hong Kong Institute of Human Resource Management.

INDEPENDENT AUDITOR'S REPORT

Grant Thornton 致同

To the members of Styland Holdings Limited
大凌集團有限公司
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Styland Holdings Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages 84 to 180 which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 outflow 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.

KEY AUDIT MATTERS

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

The Key Audit Matters	How the matter was addressed in our audit
Expected credit losses ("ECL") allowance for accounts receivable arising from the business of securities dealing and brokerage services and loans receivable *Refer to note 18, 19 and 31(a) to the consolidated financial statements, the accounting policies in note 2.7 and the critical judgment in applying the Group's accounting policies in note 4.2*	
As at 31 March 2024, the carrying amount of the Group's loans receivable and accounts receivable arising from the business of securities dealing and brokerage services (including those classified as assets held for sale) net of ECL allowance of HK$14,163,000 and HK$1,394,000 were HK$101,807,000 and HK$18,563,000 respectively. ECL measurement involves significant management judgement and estimation, with the involvement of the Group's external specialists, in (i) the selection of appropriate models and key inputs used in the ECL model, including the probability of default ("**PD**") and loss given default ("**LGD**"), (ii) the determination of the criteria for significant increase in credit risk and (iii) the selection and use of reasonable and supportable forward-looking information. We identified the ECL allowance for loans receivable and accounts receivable arising from the business of securities dealing and brokerage services as a key audit matter due to significant judgement and estimation made by the management in the assessment process.	Our audit procedures in relation to the assessment of ECL allowance for loans receivable and accounts receivable arising from the business of securities dealing and brokerage services included: – inquiring the management on the Group's established policies and procedures on credit risk management, assessing and evaluating the process with respect to identification of loans receivable from borrowers and accounts receivable from clients and the measurement of the ECL allowance; – evaluating the competency, capabilities and objectivity of the Group's external specialists by taking into account of their independence, experience and qualifications; – evaluating, with the assistance of our internal valuation specialists, the reasonableness and appropriateness of the ECL models and assumptions, information and parameters used in the model including establishing the forward-looking factors, and the relationship between the forward looking factors and the key inputs, including PD and LGD, in the ECL model to determine the impairment loss; and – checking, on sample basis, the existence and estimation of the expected recoverable amount of the underlying collateral, if applicable.

KEY AUDIT MATTERS (CONTINUED)

The Key Audit Matters	How the matter was addressed in our audit
Valuation of investment property *Refer to note 16 to the consolidated financial statements, the accounting policies in note 2.5 and the key sources of estimation uncertainty in note 4.1*	
As at 31 March 2024, the Group's investment property amounted to HK$420,000,000, represented approximately 64% of the Group's total assets. As at 31 March 2024, the Group's investment property was stated at fair value based on valuations performed by independent qualified valuers (the "**Valuers**"). We identified the valuation of investment property as a key audit matter due to the valuation is dependent on significant judgments and assumptions.	Our audit procedures in relation to the valuation of investment property included: – evaluating the competency, capabilities and objectivity of the Valuers by taking into account of their independence, experience and qualifications; – assessing appropriateness of the methodologies and the key assumptions used in the valuation in arriving at the fair value of investment property; and – assessing the reasonableness of key inputs used in the valuation by comparing with relevant market information with similar properties.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information in the annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981 and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton Hong Kong Limited
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

27 June 2024

Lam Yau Hing
Practising Certificate No.: P06622

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000 (Restated)
Continuing operations			
Turnover	6	**198,537**	176,807
Revenue	6	**15,446**	15,186
Costs of brokerage services		**(290)**	(300)
Other income	6	**1,127**	577
Administrative expenses		**(27,735)**	(28,419)
Selling and distribution expenses		**(4,104)**	(4,443)
Change in fair value of investment properties	*16 & 31(b)*	**(21,500)**	(14,000)
Change in fair value of financial assets at fair value through profit or loss ("**FVTPL**")		**(2,862)**	(641)
Loss on disposal of a subsidiary	*31(b)*	**(783)**	–
(Loss)/Gain on disposal of financial assets at FVTPL		**(458)**	752
Impairment loss on right-of-use assets	*15*	**(283)**	–
Impairment loss on intangible asset	*17*	**–**	(1,500)
Expected credit losses ("**ECL**") recognised in respect of loans receivable	*18*	**(4,214)**	(205)
ECL recognised in respect of other receivables	*21*	**(32)**	–
Reversal of ECL recognised in respect of loans receivable	*18*	**2,400**	–
Reversal of ECL recognised in respect of other receivables	*21*	**36**	–
Finance costs	*8*	**(17,733)**	(12,966)
Loss before taxation	*7*	**(60,985)**	(45,959)
Income tax expense	*9*	**–**	–
Loss for the year from continuing operations		**(60,985)**	(45,959)
Discontinued operations			
Loss for the year from discontinued operations	*10*	**(15,812)**	(22,735)
Loss and total comprehensive expenses for the year		**(76,797)**	(68,694)

	Note	2024 HK cents	2023 HK cents (Restated)
Loss per share	*14*		
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

The notes on pages 91 to 180 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*15*	**3,656**	5,979
Investment properties	*16*	**420,000**	441,500
Intangible assets	*17*	**–**	–
Financial asset at FVTPL	*22*	**6,983**	6,845
Loans receivable	*18*	**16,169**	30,693
Deposit paid for acquisition of property, plant and equipment	*21*	**–**	105
		446,808	485,122
Current assets			
Loans receivable	*18*	**72,325**	80,910
Accounts receivable	*19*	**336**	26,519
Contract asset	*20*	**–**	471
Other receivables, deposits and prepayments	*21*	**10,133**	8,296
Financial asset at fair value through other comprehensive income ("**FVOCI**")	*39*	**–**	–
Financial assets at FVTPL	*22*	**1,101**	9,097
Client trust funds	*23*	**–**	87,032
Cash and cash equivalents	*24*	**18,218**	62,568
		102,113	274,893
Assets held for sale	*31*	**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	25	**276**	107,029
Convertible bonds	30	**–**	22,854
Other payables and accruals	26	**8,547**	10,815
Promissory notes payable	27	**30,000**	20,000
Loans	28	**170,991**	180,705
Lease liabilities	29	**442**	4,447
		210,256	345,850
Liabilities directly associated with assets classified as held for sale	31	**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	27	**36,333**	30,000
Lease liabilities	29	**324**	2,363
Long service payment obligation		**203**	670
		36,860	33,033
Net assets		**334,568**	411,132
EQUITY			
Share capital	32	**71,101**	70,932
Reserves		**263,467**	340,200
Total equity		**334,568**	411,132

Cheung Hoo Win
Executive Director

Ng Yiu Chuen
Executive Director

The notes on pages 91 to 180 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2024

	Attributable to the owners of the Company								
	Share capital HK$'000	Share premium* HK$'000	Capital redemption reserve* HK$'000 (note 33(c))	Special capital reserve* HK$'000 (note 33(a))	Contributed surplus* HK$'000 (note 33(b))	Share option reserve* HK$'000	Convertible bonds reserve* HK$'000	Accumulated losses* HK$'000	Total HK$'000
At 1 April 2022	70,932	191,551	7,480	571,147	512,667	7,591	2,433	(883,975)	479,826
Loss and total comprehensive expense for the year	–	–	–	–	–	–	–	(68,694)	(68,694)
Transactions with owners:									
Lapse of share options (note)	–	–	–	–	–	(7,591)	–	7,591	–
Total transactions with owners	–	–	–	–	–	(7,591)	–	7,591	–
At 31 March 2023 and 1 April 2023	**70,932**	**191,551**	**7,480**	**571,147**	**512,667**	**–**	**2,433**	**(945,078)**	**411,132**
Loss and total comprehensive expense for the year	–	–	–	–	–	–	–	(76,797)	(76,797)
Transactions with owners:									
Exercise of bonus warrants (note 32)	169	64	–	–	–	–	–	–	233
Redemption of convertible bonds (note 30)	–	–	–	–	–	–	(2,433)	2,433	–
Total transactions with owners	169	64	–	–	–	–	(2,433)	2,433	233
At 31 March 2024	**71,101**	**191,615**	**7,480**	**571,147**	**512,667**	**–**	**–**	**(1,019,442)**	**334,568**

* The reserves accounts comprise the Group's reserve of HK$263,467,000 (2023: HK$340,200,000) in the consolidated statement of financial position.

Note: The Company had a share option scheme which was adopted on 21 September 2012 and refreshed on 15 September 2017 and 24 September 2020 (the "**Share Option Scheme**"). On 16 May 2019, the Company granted share options (the "**Share Options**") to certain employees and a consultant of the Group (the "**Grantees**") under the Share Option Scheme. The Share Options were vested immediately upon the date of grant and then exercisable within a period of three years. Each option gives the holder the right to subscribe for one ordinary share in the Company. The Share Options were initially exercisable at exercise price of HK$0.083 and subsequently adjusted to HK$0.83 upon the completion of share consolidation on 28 September 2020. As at 16 May 2022, 30,565,000 share options were not yet exercised and had lapsed accordingly.

The notes on pages 91 to 180 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2024

	2024 HK$'000	2023 HK$'000
Cash flows from operating activities		
Loss before taxation		
– continuing operations	**(60,985)**	(45,959)
– discontinued operations	**(15,812)**	(22,735)
	(76,797)	(68,694)
Adjustments for		
Change in fair value of financial assets at FVTPL	**2,862**	641
Change in fair value of investment properties	**21,500**	14,000
Depreciation	**2,643**	4,632
Finance costs	**17,864**	13,204
ECL recognised in respect of loans receivable	**4,713**	1,058
ECL recognised in respect of accounts receivable	**306**	202
ECL recognised in respect of other receivables	**1,263**	2,185
Impairment of right-of-use assets	**283**	2,411
Impairment loss on intangible asset	**–**	1,500
Write-down to fair value less costs to sell	**–**	207
Bank interest income	**(352)**	(43)
Loss on disposal of property, plant and equipment	**49**	5
Loss on disposal of a subsidiary	**783**	–
Gain on early termination of lease	**(1)**	–
Written off of long-aged payables	**(96)**	(1,215)
Bad debts recovery	**(557)**	(21)
Reversal of ECL recognised in respect of loans receivable	**(4,038)**	(20)
Reversal of ECL recognised in respect of accounts receivable	**(18)**	(144)
Reversal of ECL recognised in respect of other receivables	**(624)**	(9)
Operating loss before working capital changes	**(30,217)**	(30,101)
Decrease/(Increase) in accounts receivable	**7,332**	(5,032)
Decrease in loans receivable	**9,710**	7,745
Decrease/(Increase) in contract asset	**471**	(471)
(Increase)/Decrease in other receivables, deposits, and prepayments	**(6,206)**	5,110
Decrease in financial assets at FVTPL	**21**	1,939
Decrease in client trust funds	**24,805**	30,066
Decrease in accounts payable	**(39,200)**	(17,904)
(Decrease)/Increase in other payables and accruals	**(3,745)**	5,490
Cash used in operating activities	**(37,029)**	(3,158)
Income taxes refund	**–**	2
Net cash used in operating activities	**(37,029)**	(3,156)

Consolidated Statement of Cash Flows

for the year ended 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
Cash flows from investing activities			
Interest received		**352**	43
Payment to acquire property, plant and equipment		**(328)**	(2,489)
Proceeds from disposal of property, plant and equipment		**3**	5
Proceeds from disposal of a subsidiary	*31(b)*	**29,217**	–
Deposit paid for acquisition of property, plant and equipment		**–**	(105)
Payment for the redevelopment project		**(482)**	(10,511)
Net cash generated from/(used in) investing activities		**28,762**	(13,057)
Cash flows from financing activities			
Proceeds from loans		**18,500**	22,450
Repayment of loans		**(28,199)**	(34,283)
Interest paid		**(14,879)**	(10,827)
Proceeds from issuance of promissory notes payable		**36,333**	30,000
Repayment of promissory notes payable		**(20,000)**	(15,000)
Repayment of convertible bonds	*30*	**(23,000)**	–
Proceeds from issuance of shares		**233**	–
Payment of lease liabilities		**(4,554)**	(4,982)
Net cash used in financing activities		**(35,566)**	(12,642)
Net decrease in cash and cash equivalents		**(43,833)**	(28,855)
Cash and cash equivalents at beginning of year		**62,568**	91,423
Cash and cash equivalents at end of year			
Represented by			
– Cash and cash equivalents	*24*	**18,218**	62,568
– Cash and cash equivalents classified as held for sale	*31(a)*	**8,590**	–
– Bank overdraft classified as held for sale	*31(a)*	**(8,073)**	–
		18,735	62,568

The notes on pages 91 to 180 are an integral part of these 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 dollars ("**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.

The consolidated financial statements for the year ended 31 March 2024 have been approved for issue by the board of directors (the "**Board**") on 27 June 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation *(Continued)*

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 material 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation *(Continued)*

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 are disclosed in note 4.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation *(Continued)*

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets (i.e., reclassified to profit or loss or transferred directly to accumulated losses). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 "Financial Instruments" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the Company's statement of financial position, subsidiaries are carried at cost less accumulated impairment loss (if any) unless the subsidiary is held for sale or included in a disposal group.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities at the end of the reporting period are recognised in profit or loss.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the end of the reporting period. Income and expenses have been converted into the Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

2.4 Property, plant and equipment

Property, plant and equipment (other than cost of right-of-use assets as described in note 2.10) are initially recognised at acquisition cost (including any cost directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management). They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Leasehold improvements	Over the shorter of the term of lease or 25%
Furniture, fixtures and equipment	15%
Motor vehicles	20%

Accounting policy for depreciation of right-of-use assets is set out in note 2.10.

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment *(Continued)*

Gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

2.5 Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2.10) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

On initial recognition, investment property is measured at cost, and subsequently at fair value, unless its fair value cannot be reliably determined at that time.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Fair value is determined by external professional valuers, with sufficient experience with respect to both the location and the nature of the investment property. The carrying amounts recognised at the reporting period reflect the prevailing market conditions at the end of reporting period.

Gains or losses arising from either changes in the fair value or the sale of an investment property are included in profit or loss in the period in which they arise.

2.6 Intangible asset

Intangible asset with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses and are tested for impairment as described below in note 2.16.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those accounts receivable that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at FVTPL, plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- FVTPL; or
- FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, other income, revenue or administrative expenses, except for ECL of accounts receivable, other receivables and loans receivable which are presented as a separate line item in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial assets *(Continued)*

Subsequent measurement of financial assets

Debt investments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

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

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in other income in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, client trust funds, accounts receivable, loans receivable and other receivables and deposits fall into this category of financial instruments.

Financial assets at FVTPL

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Equity investments

An investment in equity securities is classified as FVTPL unless the equity investment is not held for trading purposes and on initial recognition of the investment, the Group elects to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income and accumulated in "Fair value reserve" in equity. Such elections are made on an instrument-by-instrument basis, but only be made if the investment meets the definition of equity from the issuer's perspective.

The equity instruments at FVOCI are not subject to impairment assessment. The cumulative gain or loss in "Fair value reserve" will not be reclassified to profit or loss upon disposal of the equity investments, and will be transferred to accumulated losses.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial assets *(Continued)*

Subsequent measurement of financial assets *(Continued)*

Equity investments (Continued)

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "revenue" in profit or loss.

Impairment of financial assets and contract asset

HKFRS 9's impairment requirements use forward-looking information to recognise ECL – the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost, accounts receivable, contract asset recognised and measured under HKFRS 15 and loan commitments.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

– financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("**Stage 1**"); and

– financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("**Stage 2**").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and contract asset *(Continued)*

Accounts receivable and contract asset without significant financing component recognised and measured under HKFRS 15

For accounts receivable and contract asset, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a 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.

To measure the ECL, accounts receivable and contract asset have been grouped based on shared credit risk characteristics.

Other financial assets measured at amortised cost

The Group applies the general approach to measure the loss allowance for other financial assets measured at amortised cost equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the reporting date with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and contract asset *(Continued)*

Other financial assets measured at amortised cost (Continued)

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

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

– existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and

– an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group); or (ii) the financial asset is 90 days past due, unless the Group has reasonable and supportable information to demonstrate that other basis are more appropriate.

Detailed analysis of the ECL assessment of accounts receivable, loans receivable, contract asset and other financial assets measured at amortised cost are set out in note 39.3.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets and contract asset *(Continued)*

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or when the amounts are past due for over two years, or when the amount is considered irrecoverable after disposing the collateral, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include accounts payable, promissory notes payable, loans, convertible bonds, lease liabilities and other payables and accruals.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method except for derivatives which are not designated as hedging instruments in hedge relationships and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs.

Accounting policies of lease liabilities are set out in note 2.10.

Promissory notes payable, convertible bonds and loans are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Convertible bonds

Convertible bonds that can be converted to share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial liabilities *(Continued)*

Classification and measurement of financial liabilities *(Continued)*

Convertible bonds *(Continued)*

Convertible bonds issued by the Group that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate for similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the call option for conversion of the bond into equity, is included in equity as convertible bonds reserve.

The liability component is subsequently carried at amortised cost using the effective interest method. The equity component will remain in equity until conversion or redemption of the bond.

When the bond is converted, the equity component of convertible bonds and the carrying value of the liability component at the time of conversion are transferred to share capital as consideration for the shares issued. If the bond is redeemed, the convertible bonds reserve is released directly to accumulated losses.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months or less of maturity at acquisition.

2.9 Contract asset

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract asset are assessed for ECL in accordance with the policy set out in note 2.7 and are reclassified to receivables when the right to the consideration has become unconditional.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Leases

(a) Definition of lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

– the contracts contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

– the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

– the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Leases *(Continued)*

(a) Definition of lease and the Group as a lessee *(Continued)*

Measurement and recognition of leases as a lessee *(Continued)*

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in the profit or loss on a straight-line basis over the lease term. Short– term leases are leases with a lease term of 12 months or less.

On the consolidated statement of financial position, right-of-use assets have been included in property, plant and equipment, the same line as it presents the underlying assets of the same nature that it owns.

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.10 Leases *(Continued)*

(b) The Group as a lessor

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

The Group also earns rental income from operating leases of its investment property. Rental income is recognised on a straight-line basis over the term of the lease.

2.11 Provisions and contingent liabilities

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

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

2.12 Share capital

Ordinary shares are classified as equity. The amount of share capital recognised is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction are deducted from the share premium.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Non-current assets, or disposal group held for sale and discontinued operation

Non-current assets, or disposal groups held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are highly probable to be recovered principally through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to financial assets and investment property, which continues to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale is not amortised or depreciated. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Discontinued operation

Discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. The component comprises operations and cash flows that can be clearly distinguished from the rest of the Group and represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount in the consolidated statement of profit or loss and other comprehensive income comprising the total of: (i) the post-tax profit or loss of discontinued operations and (ii) the post-tax gain or loss recognised on the measurement to fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Revenue recognition

The Group's revenue mainly arise from the provision of financial services, mortgage financing, insurance brokerage and securities trading.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Further details of the Group's revenue recognition policies are as follows:

Commission income from brokerage

– commission and brokerage income from securities and futures dealing are recognised on the trade date basis when relevant transactions are executed;

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Revenue recognition *(Continued)*

Fee income from corporate finance

– sponsor services are highly interdependent and interrelated, the Group treats all initial public offering sponsor services promised in the sponsor fee contract as a single performance obligation;

  Sponsor fee income's performance obligation is satisfied over time as the Group considered that the Group's performance does not create an asset with an alternative use to the Group and the Group has a right to payment at an amount that reasonably compensates it for its performance completed to date at all times throughout the contract.

  The Group measures the progress using the input method and estimates the percentage of completion by reference to the time cost incurred to date as compare to the total budgeted time cost for each project;

– financial advisory service income is recognised progressively over time once the performance obligations fulfilled or at a point in time when the services is completed, according to the nature and terms of the contracts; and

– placing and underwriting service income are recognised at a point in time when relevant services are rendered.

Interest income from brokerage and other financing, and mortgage financing

– interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Commission income from insurance brokerage

– Insurance brokerage commission income is recognised at a point in time when relevant services are rendered.

Dividend income

– dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental income

Accounting policies for rental income are set out in note 2.10.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.15 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate.

Government grants that compensate the Group for expenses incurred are deducted against the related expense.

2.16 Impairment non-financial assets

The following assets are subject to impairment testing:

– Intangible asset;

– Property, plant and equipment (including right-of-use assets); and

– The Company's interests in subsidiaries.

Intangible asset with indefinite useful life are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Impairment non-financial assets *(Continued)*

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit ("**CGU**") level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. License right is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the license right is monitored for internal management purpose and not be larger than an operating segment.

Impairment loss is charged pro rata to the assets in the CGU, except that the carrying amount of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.17 Employee benefits

Retirement benefits scheme

Retirement benefits to employees are provided through defined contribution plans. In addition, the employees employed under the Hong Kong Employment Ordinance are also entitled to long service payment ("**LSP**") if the eligibility criteria are met. The LSP are defined benefits plans.

(a) Defined contribution plan

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the Mandatory Provident Fund Scheme (the "**MPF Scheme**"). Contributions are made based on a percentage of the employees' basic salaries.

Contribution are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under MPF Scheme are limited to the fixed percentage contributions payable.

There were no contributions forfeited by the Group on behalf of its employees who left the plan prior to vesting fully in such contribution, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 March 2024 and 2023, no forfeited contributions were available for utilisation by the Group to reduce the existing level of contributions.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Employee benefits *(Continued)*

Retirement benefits scheme *(Continued)*

(b) Defined benefit plans

The amount of long service benefit that an employee will receive on cessation of employment in certain circumstances is defined by reference to the employee's length of service and corresponding salary. The legal obligations for any benefits remains with the Group.

The LSP obligations recognised in the consolidated statement of financial position is the present value of the LSP obligation at the end of the reporting period.

Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

2.18 Borrowing costs

Borrowing costs incurred, net of any investment income earned on the temporary investment of the specific borrowings, for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.19 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Accounting for income taxes *(Continued)*

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profits, including existing taxable temporary difference, will be available against which the deductible temporary differences, unused tax losses and unused tax credits, can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

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

For investment property measured using the fair value model in accordance with the accounting policy above, the measurement of the related deferred tax liability or asset reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale, unless the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies the requirements in HKAS 12 to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to the lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.19 Accounting for income taxes *(Continued)*

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.20 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

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

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

(ii) has significant influence over the Group; or

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.20 Related parties *(Continued)*

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

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

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) the entity and the Group are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

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

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

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

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Fair value measurements

For the purposes of financial reporting, fair value measurement is categorised into Level 1, 2 and 3 of the three-level fair value hierarchy as defined under the HKFRS 13. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 valuations: Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and not using significant unobservable inputs;

Level 3 valuations: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (significant unobservable inputs).

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for making strategic and operational decision and allocating resources and assessing performance of the operating segments, has been identified as the executive directors.

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

Except as disclosed below, the adoption of these 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.

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

The amendments to HKAS 1 require entities to disclose material accounting policy information instead of significant accounting policies in its financial statements. The amendments also provide some guidance on how material policy information are being identified and provide some examples of when accounting policy information is likely to be material.

In March 2021, HKICPA issued HKFRS Practice Statement 2 "Making Materiality Judgements" to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with HKFRS. HKFRS Practice Statement 2 was subsequently revised to provide guidance and examples on how to apply the concept of materiality to accounting policy disclosures.

The amendments to HKAS 1 are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. In the opinion of the directors, the amendments have affected the accounting policies disclosures as set out in note 2 to the consolidated financial statements.

3. ADOPTION OF NEW AND AMENDED HKFRSS (CONTINUED)

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

Amendments to HKAS 8 "Definition of Accounting Estimates"

The amendments clarify how entities should distinguish changes in accounting policies from changes in accounting estimates by introducing a definition for accounting estimates, which is now defined as "monetary amounts in the financial statements that are subject to measurement uncertainty".

Besides, the amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an entity develops an accounting estimate to achieve the objective set out by an accounting policy. Accounting estimates typically involve the use of judgements or assumptions based on latest available reliable information. A change in accounting estimate that results from new information or new development is not correction of an error. Therefore, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. In addition, two illustrative examples are added to illustrate how to apply the new definition of accounting estimates.

The amendments are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. In the opinion of the directors, the amendments have no material impact on the consolidated financial statements.

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]

3. ADOPTION OF NEW AND AMENDED HKFRSS (CONTINUED)

3.2 Issued but not yet effective HKFRSs *(Continued)*

[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. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

4.1 Sources of estimation uncertainty

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

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

Estimated useful lives of property, plant and equipment (other than right-of-use assets)

The Group's carrying values of property, plant and equipment (other than right-of-use assets), as at 31 March 2024 was approximately HK$3,179,000 (2023: HK$4,163,000). The Group depreciates the property, plant and equipment (other than right-of-use assets) over the estimated useful lives, using the straight line method, at the rate of 15-25% per annum, commencing from the date the property, plant and equipment is available for use. The estimated useful life reflects the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment (other than right-of-use assets). The Group assesses annually the useful lives of property, plant and equipment (other than right-of-use assets) and if the expectation differs from the original estimate, such a difference may impact the depreciation for the year and the future period.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Sources of estimation uncertainty *(Continued)*

Estimated fair value

Certain of the Group's assets are measured at fair value for financial reporting purposes. The management would determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent which is available. Where Level 1 inputs are not available, the Group may engage third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

As at 31 March 2024, the Group's investment properties (including the investment property classified as assets held for sale in 2023) are stated at fair value of HK$420,000,000 (2023: HK$471,500,000) based on the valuations performed by independent qualified valuers. The best evidence of fair value is current prices in an active market for similar property in the same location and condition and subject to the same lease or other contracts. In the absence of such information, the valuers determine the fair values of investment properties with different valuation techniques which involves significant unobservable inputs, details of which are as set out in note 16. Favorable or unfavorable changes to these significant unobservable inputs would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

Impairment of property, plant and equipment (include right-of-use assets)

Items of property, plant and equipment (note 15) are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. This process requires management's estimate of future cash flows generated by each CGU. For any instance where this evaluation process indicates impairment, the relevant asset's carrying amount is written down to the recoverable amount and the amount of the write-down is charged against the consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. During the year ended 31 March 2024, impairment loss of HK$283,000 (2023: HK$2,411,000) was recognised on property, plant and equipment.

The Group has identified several CGUs to assess the impairment loss of property, plant and equipment based on recoverable amount of each CGUs to which property, plant and equipment is allocated. The impairment loss provided for the year ended 31 March 2024 derived from the CGUs of securities trading and insurance brokerage (2023: brokerage financing, assets management and securities trading and insurance brokerage).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Sources of estimation uncertainty *(Continued)*

Impairment of property, plant and equipment (include right-of-use assets) *(Continued)*

The recoverable amounts of the respective CGUs have been determined based on value in use calculations, which use cashflow forecast available as at 31 March 2024. Fair value less costs of disposal is not used as the management considered that it will not be possible to measure fair value less costs of disposal of the CGUs because there is no basis for making a reliable estimate of the price. These cashflow forecasts are derived from the approved business plan which has 5 years (2023: 5 years) forecast. The key assumptions used in the value in use calculations on the CGUs are as follows:

– The revenue growth rate assumptions are based on management estimates and expectations of current market conditions.

– The cash flow projections are discounted using discount rates ranged from 8.96% to 10.76% (2023: 8.31% to 9.17%). The discount rates reflect the current market assessments of the time value of money and are based on the estimated cost of equity and cost of debt.

The discount rate is considered as the key unobservable input, an increase in the discount rate would decrease the recoverable value of the corresponding CGU. As at 31 March 2024 and 2023, it is estimated that with all other variables held constant, an 1% increase/decrease in discount rate would not have impact on the recoverable amount of the CGUs.

Impairment of license right

In determining whether license right is impaired requires an estimation of the value in use of the CGUs to which license right has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2024, total impairment losses, (including the impairment of license right related to assets held for sale) of HK$4,886,000 (2023: HK$4,886,000) have been recognised for license rights. The carrying amount as at 31 March 2024 was HK$Nil (2023: HK$Nil). Details of the impairment testing on license right are set out in note 17.

Estimation of LSP obligations

Management's estimate of the LSP obligations is based on a number of critical underlying assumptions such as the discount rate, the salary growth rate, turnover rate and the expected investment return on offsetable MPF accrued benefits. Variation in these assumptions may significantly impact the LSP obligations amount and the annual defined benefit expenses amount.

Any changes in these assumptions will impact the carrying amount of LSP obligations.

As at 31 March 2024, the carrying amounts of LSP obligations (including the amount classified as liabilities associated with assets held for sale) are HK$670,000 (2023: HK$670,000).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.2 Critical judgements in applying the Group's accounting policies

<u>ECL on accounts receivable arising from business of securities dealing and brokerage services and loans receivable</u>

The Group makes allowances based on assumptions in determining the probability of default and loss given defaults. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, collateral as well as forward-looking estimates at the end of each reporting period as set out in note 2.7.

As at 31 March 2024, the carrying amount of accounts receivable, including assets classified as held for sale, is approximately HK$18,563,000 (net of ECL allowance of approximately HK$1,394,000), the carrying amount of loans receivable, including assets classified as held for sale, is approximately HK$101,807,000 (net of ECL allowance of approximately HK$14,163,000).

As at 31 March 2023, the carrying amount of accounts receivable is approximately HK$26,230,000 (net of ECL allowance of approximately HK$2,687,000), the carrying amount of loans receivable is approximately HK$111,603,000 (net of ECL allowance of approximately HK$17,135,000), and the carrying amount of contract asset is HK$471,000 (net of ECL allowance of HK$Nil).

5. SEGMENT 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 the type 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 intermediary;

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

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

As disclosed in note 31(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.

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue 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)

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results *(Continued)*

The accounting policies of the reportable segments described in note 2.22 are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of unallocated administrative expenses, unallocated sundry income, unallocated directors' remunerations, bank interest income and finance costs (other than interest on lease liabilities). This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Inter-segment revenue are charged at prevailing market rates.

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.

5. SEGMENT INFORMATION (CONTINUED)

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 excluded the additions to loans receivable and financial assets at FVTPL.

5. SEGMENT INFORMATION (CONTINUED)

Other segment information *(Continued)*

For the year ended 31 March 2023 (Restated)

	Continuing operations						Discounted 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 excluded the additions to loans receivable and financial assets at FVTPL.

5. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in Hong Kong. All of the Group's non-current assets (excluding financial assets at FVTPL and loans receivable) are located in Hong Kong. In addition, all of the Group's revenue during the years ended 31 March 2024 and 2023 were derived from Hong Kong.

Information about major customers

No individual customer accounted for over 10% of the Group's total revenue during both years.

6. TURNOVER, REVENUE AND OTHER INCOME

Turnover represents the sale proceeds received and receivable from trading of securities, fees and commission income from securities and futures brokerage, corporate finance and assets management, interest income from mortgage financing, brokerage and other financing, commission income from insurance brokerage and dividend income. Details of the Group's turnover, revenue and other income from continuing operations are analysed as follows:

	2024 HK$'000	2023 HK$'000 (Restated)
Turnover and revenue		
Insurance brokerage		
Commission income	**568**	580
Mortgage financing		
Interest income from mortgage financing	**12,820**	14,378
Property investment		
Rental income	**1,500**	–
Securities trading		
Dividend income	**558**	228
Revenue for the year	**15,446**	15,186
Proceeds from trading of securities	**183,091**	161,621
Turnover for the year	**198,537**	176,807
Other income		
Bank interest income	**352**	43
Bad debt recovery	**356**	–
Penalty interest income	**242**	175
Sundry income	**177**	359
	1,127	577

6. TURNOVER, REVENUE AND OTHER INCOME (CONTINUED)

Disaggregation of revenue from contracts with customers

The Group derives revenue recognised over time and at a point in time from its commission income from insurance brokerage.

7. LOSS BEFORE TAXATION FROM CONTINUING OPERATIONS

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

	2024 HK$'000	2023 HK$'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.

8. FINANCE COSTS

	2024 HK$'000	2023 HK$'000 (Restated)
Continuing operations		
Interest on:		
– secured bank loans	**9,403**	6,874
– bank overdraft	**438**	192
– promissory notes	**4,573**	1,542
– other secured loans	**2,468**	2,100
– lease liabilities	**21**	17
– convertible bonds	**830**	2,241
	17,733	12,966

9. 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 from Hong Kong during the year.

9. INCOME TAX EXPENSE (RELATING TO CONTINUING OPERATIONS) (CONTINUED)

Reconciliation between tax expense and accounting loss at applicable tax rates:

	2024 HK$'000	2023 HK$'000 (Restated)
Loss before taxation	**(60,985)**	(45,959)
Tax at applicable income tax rate	**(10,063)**	(7,583)
Tax effect of expenses not deductible for tax purpose	**5,457**	3,306
Tax effect of income not taxable for tax purpose	**(191)**	(228)
Tax effect of temporary differences not recognised	**(439)**	(456)
Tax effect of tax losses not recognised	**5,236**	4,961
Income tax expense	**–**	–

As at 31 March 2024, the Group has unused tax losses of approximately HK$454,780,000 (2023: HK$439,136,000) for the continuing operations available for offset against future profits. No deferred tax asset has been recognised of such losses due to the unpredictability of future profit streams for certain subsidiaries. The tax losses are subject to the agreement from the Hong Kong Inland Revenue Department and may be carried forward indefinitely.

10. 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.

10. DISCONTINUED OPERATIONS (CONTINUED)

Analysis of loss for the year from discontinued operations

The results of the discontinued operations were as follows:

	2024 HK$'000	2023 HK$'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)

10. DISCONTINUED OPERATIONS (CONTINUED)

Analysis of loss for the year from discontinued operations *(Continued)*

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

	2024 HK$'000	2023 HK$'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 HK$'000	2023 HK$'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)

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

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

Year ended 31 March 2024	Fees HK$'000	Other emoluments: Salaries, allowances and other benefits HK$'000	Other emoluments: Discretionary bonus HK$'000	Other emoluments: Retirement benefit scheme contributions HK$'000	Total HK$'000
Name of Director					
Executive Directors					
Cheung Hoo Win (Chief Executive Officer)	–	672	–	18	690
Ng Yiu Chuen	–	1,416	280	18	1,714
Independent Non-Executive Directors					
Li Hancheng (Non-executive Chairman)	150	–	–	–	150
Ling Sui Ngor	150	–	–	–	150
Lo Tsz Fung Philip	150	–	–	–	150
	450	2,088	280	36	2,854

Year ended 31 March 2023	Fees HK$'000	Other emoluments: Salaries, allowances and other benefits HK$'000	Other emoluments: Discretionary bonus HK$'000	Other emoluments: Retirement benefit scheme contributions HK$'000	Total HK$'000
Name of Director					
Executive Directors					
Cheung Hoo Win (Chief Executive Officer)	–	618	–	18	636
Ng Yiu Chuen	–	1,356	264	18	1,638
Independent Non-Executive Directors					
Li Hancheng (Non-executive Chairman)	150	–	–	–	150
Ling Sui Ngor	150	–	–	–	150
Lo Tsz Fung Philip	150	–	–	–	150
	450	1,974	264	36	2,724

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (CONTINUED)

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2023: Nil).

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2023: Nil).

12. FIVE HIGHEST PAID INDIVIDUALS

During the year ended 31 March 2024, one (2023: one) director of the Company was the five highest paid individuals, whose emoluments have been included in note 11 above. The emoluments of the remaining four (2023: four) individuals for the year ended 31 March 2024 were as follows:

	2024 HK$'000	2023 HK$'000
Salaries, allowances and other benefits	**4,453**	3,999
Retirement benefit scheme contributions	**72**	101
	4,525	4,100

No emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2023: Nil).

The emoluments fall within the following bands:

	Number of employees	
	2024	2023
Emolument bands:		
Nil to HK$1,000,000	**2**	3
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**1**	–
	4	4

13. DIVIDENDS

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

14. LOSS PER SHARE

For continuing operations

The calculation of basic loss per share was based on the loss for the year attributable to the owners 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 (note 32) and convertible bonds (note 30) 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 (note 30) 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 HK2.23 cents per share (2023: HK3.21 cents 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.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Premises held under leases HK$'000	Total HK$'000
Cost					
At 1 April 2023	**2,512**	**8,474**	**4,487**	**12,736**	**28,209**
Additions	**205**	**228**	**–**	**897**	**1,330**
Termination of lease	**–**	**–**	**–**	**(979)**	**(979)**
Disposals	**–**	**(10)**	**–**	**–**	**(10)**
Written-off	**(333)**	**(733)**	**–**	**–**	**(1,066)**
Reclassified as assets held for sale (note 31(a))	**(1,153)**	**(5,942)**	**–**	**(11,757)**	**(18,852)**
At 31 March 2024	**1,231**	**2,017**	**4,487**	**897**	**8,632**
Accumulated depreciation and impairment					
At 1 April 2023	**1,579**	**7,360**	**2,371**	**10,920**	**22,230**
Charge for the year	**335**	**284**	**629**	**1,395**	**2,643**
Written back upon disposals	**–**	**(4)**	**–**	**–**	**(4)**
Written back upon written-off	**(296)**	**(724)**	**–**	**–**	**(1,020)**
Termination of lease	**–**	**–**	**–**	**(956)**	**(956)**
Impairment loss recognised	**–**	**–**	**–**	**283**	**283**
Reclassified as assets held for sale (note 31(a))	**(1,065)**	**(5,913)**	**–**	**(11,222)**	**(18,200)**
At 31 March 2024	**553**	**1,003**	**3,000**	**420**	**4,976**
Net book value					
At 31 March 2024	**678**	**1,014**	**1,487**	**477**	**3,656**
Cost					
At 1 April 2022	2,841	8,944	3,429	14,895	30,109
Additions	1,151	280	1,058	225	2,714
Early termination of lease	–	–	–	(238)	(238)
Disposals	–	(100)	–	–	(100)
Written-off	(1,121)	(647)	–	(2,146)	(3,914)
Reclassified as assets held for sale (note 31(b))	(359)	(3)	–	–	(362)
At 31 March 2023	2,512	8,474	4,487	12,736	28,209
Accumulated depreciation and impairment					
At 1 April 2022	2,520	7,682	1,775	7,605	19,582
Charge for the year	334	416	596	3,286	4,632
Written back upon disposals	–	(90)	–	–	(90)
Written back upon written-off	(1,121)	(647)	–	(2,146)	(3,914)
Early termination of lease	–	–	–	(236)	(236)
Impairment loss recognised	–	–	–	2,411	2,411
Reclassified as assets held for sale (note 31(b))	(154)	(1)	–	–	(155)
At 31 March 2023	1,579	7,360	2,371	10,920	22,230
Net book value					
At 31 March 2023	933	1,114	2,116	1,816	5,979

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As at 31 March 2024 and 2023, premises held under leases of the Group's right-of-use assets in relation to office premises.

At 31 March 2024, the recoverable amounts of the Group's property, plant and equipment, attributable to the respective CGUs has been determined based on a value in use estimation. The value in use estimation adopted the discounted cash flow method, net of future cash outflow using a discount rate of weighted average cost of capital. When actual cash flow differs materially from the estimated cash flow, adjustments have been made to the estimated value in use. Detail of key assumption and sensitivity analysis were disclosed in note 4.1.

As at 31 March 2024, the insurance brokerage and securities trading CGUs estimated a cash outflows during the forecast period, the recoverable amounts of the insurance brokerage and securities trading were HK$Nil and HK$Nil respectively.

As at 31 March 2023, the securities brokerage, futures brokerage, assets management services, insurance brokerage and securities trading CGUs estimated a cash outflows during the forecast period, the recoverable amounts of the brokerage financing, assets management services, insurance brokerage and securities trading were HK$Nil, HK$Nil, HK$Nil, HK$Nil and HK$Nil respectively.

The management estimated the recoverable amounts and recognised relevant impairment loss as a result of the general economic uncertainty. The overall valuations are sensitive to all assumptions. Management considers the range of reasonably possible alternative assumptions is the greatest for value in use and that there is an interrelationship between these inputs.

16. INVESTMENT PROPERTIES

	2024 **HK$'000**	2023 HK$'000
At 1 April	**441,500**	485,500
Changes in fair value recognised in profit or loss	**(21,500)**	(3,000)
Reclassified as assets held for sale (note 31(b))	**–**	(41,000)
At 31 March	**420,000**	441,500

The Group's investment properties are situated in Hong Kong and held under medium-term leases.

The Group's properties held to earn rental or for capital appreciation purposes are classified as investment properties and measured using the fair value model.

16. INVESTMENT PROPERTIES (CONTINUED)

At the end of the reporting period, the Group's investment properties (2023: including an investment property classified as assets held for sale) of approximately HK$420,000,000 (2023: HK$471,500,000) have been pledged to secure the loans granted to the Group (notes 28 & 31(b)).

The fair value of the investment properties as at 31 March 2024 were revalued by Jones Lang LaSalle Limited (2023: Jones Lang LaSalle Limited and Vigers Appraisal and Consulting Limited), the independent qualified valuers who have the recent experience in the location and category of property being valued, which was based on the direct comparison approach, assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market while appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the subject property (the "**Price Adjustment**").

The information about the use of significant unobservable inputs are listed below:

Significant unobservable inputs	Range of unobservable inputs		Relationship of unobservable inputs to fair value
	2024	2023	
Price Adjustment	**(13.0)% to 6.8%**	(13.83%) to 13.58%	The higher the Price Adjustment, the higher the fair value.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use and is categorised as Level 3 of the three-level fair value hierarchy as defined under HKFRS 13.

There were no changes to the valuation techniques during the years ended 31 March 2024 and 2023.

17. INTANGIBLE ASSETS

	HK$'000
Cost	
At 1 April 2022, 31 March 2023 and 1 April 2023	4,886
Reclassified as assets held for sale (note 31(a))	(3,386)
At 31 March 2024	1,500
Accumulated impairment	
At 1 April 2022	3,386
Impairment loss recognised	1,500
At 31 March 2023 and 1 April 2023	4,886
Reclassified as assets held for sale (note 31(a))	(3,386)
At 31 March 2024	1,500
Carrying amount	
At 31 March 2024	**–**
At 31 March 2023	–

Note a: Included in the intangible asset represents a license right acquired at the consideration of HK$3,386,000 as part of a business combination of Ever-Long Capital Management Limited. The license carries a right to conduct asset management business in Hong Kong, and has no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the license right is considered by the management of the Group as having an indefinite useful life and is not amortised. It is tested for impairment annually and whenever there is an indication that it may be impaired. The license right was fully impaired as at 31 March 2024 and 2023. As at 31 March 2024, such license right has been reclassified as assets held of sale (note 31(a)).

Note b: During the year ended 31 March 2021, the Group acquired a license right through acquisition of Choice Insurance Broker Limited ("**Choice Insurance**") at the consideration of HK$1,500,000. The license carries a right to conduct insurance brokerage business in Hong Kong, and has no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the license right is considered by the management of the Group as having an indefinite useful life and is not amortised. It is tested for impairment annually and whenever there is an indication that it may be impaired.

As at 31 March 2024 and 2023, the recoverable amount of the CGUs arising from Choice Insurance was determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a 5-year period. The license right was fully impaired during the year ended 31 March 2023 as the expected recoverable amount of related CGU is HK$Nil

18. LOANS RECEIVABLE

	2024 HK$'000	2023 HK$'000
Securities dealing and brokerage services		
– Secured margin loans	–	14,031
– Unsecured margin loans	–	1,930
Less: ECL allowance	–	(2,334)
	–	13,627
Financing business		
– Secured mortgage loans	**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

Securities dealing and brokerage services

As at 31 March 2023, loans receivable under secured margin loans and unsecured margin loans are approximately HK$14,031,000 and HK$1,930,000 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 2023.

The amount of credit facilities granted to clients is determined by reference to the market value of the collateral securities held by the Group. As at 31 March 2023, the total market value of securities pledged as collateral in respect of the loans to clients was approximately HK$58,496,000.

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.

18. LOANS RECEIVABLE (CONTINUED)

Securities dealing and brokerage services *(Continued)*

As at 31 March 2023, there are 37 secured margin loans with the aggregate gross amount of approximately HK$14,031,000. The borrowers hold Hong Kong listed marketable securities under the securities account in one of the Group entities. The Group has the right to sell or require a sale of all these securities and use the proceeds to repay the outstanding loans in the event that the borrowers fail to pay the amount due on due date. The remaining gross balance of margin loans of approximately HK$1,930,000 were unsecured.

As at 31 March 2023, there are 2 individual loans with net carrying amount, on an individual basis, being more than 10% of the net carrying amount of the total loans receivable.

The loans receivable relating to securities dealing and brokerage services as at 31 March 2024 has been classified as assets held for sale and were set out in note 31(a).

Financing business

Loans receivable bear interests at interest rates with reference to commercial rates. Loans receivable which would be received over one year were classified as non-current receivables. As at 31 March 2024, the total market value of properties pledged as collateral in respect of the mortgage loans was approximately HK$200,031,000 (2023: HK$275,508,000).

As at 31 March 2024, 22 (2023: 17) secured mortgage loans with the aggregate gross amount of approximately HK$47,029,000 (2023: HK$46,930,000) were secured by first legal charges in respect of respective properties located in Hong Kong. The collateral for each individual loan is sufficient to cover the loan amount on an individual basis. They were advanced to various independent borrowers and will be due for repayment within 1 to 7 years (2023: 1 to 19 years).

As at 31 March 2024, 35 (2023: 25) secured mortgage loans with the aggregate gross amount of approximately HK$43,834,000 (2023: HK$50,050,000) were with second or third legal charges in respect of properties located in Hong Kong. They were advanced to various independent borrowers and will be due for repayment within 1 to 14 years (2023: 1 to 15 years).

As at 31 March 2023, there is 1 secured loan with the aggregate gross amount of approximately HK$2,922,000. The borrower holds Hong Kong listed marketable securities under the securities account in one of the Group entities. The Group has the right to sell or require a sale of all these securities and use the proceeds to repay the outstanding loan in the event that the borrower fail to pay the amount due on due date. The secured loans were secured by borrower's securities accounts with market value of approximately HK$107,000 as collateral. During the year ended 31 March 2024, the loans receivable, amounting to HK$708,000, have been received, the remaining amount has been written off.

18. LOANS RECEIVABLE (CONTINUED)

Financing business *(Continued)*

As at 31 March 2024 and 31 March 2023, there are no individual loans with net carrying amount, on an individual basis, being more than 10% of the net carrying amount of the total loans receivable.

Details of credit risk profile disclosure are set out in "credit risk" in note 39.

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 **HK$'000**	2023 HK$'000
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

The maturity analysis for the carrying amount of loans receivable in financing business (net of ECL allowances), based on contractual maturity date, is as follows:

	2024 **HK$'000**	2023 HK$'000
On demand or within 1 year	**72,325**	67,283
In more than 1 year but not more than 5 years	**9,285**	8,220
Over 5 years	**6,884**	22,473
	88,494	97,976

18. LOANS RECEIVABLE (CONTINUED)

Financing business *(Continued)*

The movement in the ECL allowance of loans receivable is as follows:

	Financing business		Margin clients		Total	
	2024	2023	**2024**	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
At 1 April	**14,801**	16,162	**2,334**	1,691	**17,135**	17,853
ECL recognised for the year	**4,322**	395	**391**	663	**4,713**	1,058
Reversal of ECL recognised for the year	**(3,535)**	–	**(503)**	(20)	**(4,038)**	(20)
Written-off	**(3,291)**	(1,756)	**(356)**	–	**(3,647)**	(1,756)
Reclassified as assets held for sale (note 31(a))	**(8,496)**	–	**(1,866)**	–	**(10,362)**	–
At 31 March	**3,801**	14,801	**–**	2,334	**3,801**	17,135

19. ACCOUNTS RECEIVABLE

	2024	2023
	HK$'000	HK$'000
Accounts receivable	**336**	29,206
Less: ECL allowance	**–**	(2,687)
	336	26,519

	2024	2023
	HK$'000	HK$'000
Balance in relation to		
– securities and futures dealing and brokerage services	**–**	26,230
– insurance brokerage	**336**	289
	336	26,519

The general settlement terms of accounts receivable attributable to the securities dealing and the brokerage services are two days after the trade date.

19. ACCOUNTS RECEIVABLE (CONTINUED)

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 HK$'000	2023 HK$'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

As at 31 March 2023, the Group held listed securities in client accounts with market value of approximately HK$42,824,000 as collateral over secured balances of HK$11,938,000.

The directors consider that the fair values of accounts receivable which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The movement in the ECL allowance of accounts receivable is as follows:

	2024 HK$'000	2023 HK$'000
At 1 April	**2,687**	2,629
ECL recognised for the year	**306**	202
Reversal of ECL recognised for the year	**(18)**	(144)
Written-off	**(1,581)**	–
Reclassified as assets held for sale (note 31(a))	**(1,394)**	–
At 31 March	**–**	2,687

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

20. CONTRACT ASSET

	2024 HK$'000	2023 HK$'000
Contract asset arising from:		
Corporate finance services	**–**	471

The contract asset represents rights to consideration for work performed but not yet billed for the corporate finance services and are expected to be transferred to accounts receivable within one year.

The Group's unsatisfied (or partially unsatisfied) performance obligation represents sponsor services which are billed based on time incurred. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 HK$'000	2023 HK$'000
Deposits	**194**	4,492
Prepayments	**664**	1,234
Interest receivables	**1,529**	6,782
Other receivables	**7,846**	648
	10,233	13,156
Less: ECL allowance	**(100)**	(4,755)
	10,133	8,401
Analysed as:		
– Non-current assets	**–**	105
– Current assets	**10,133**	8,296
	10,133	8,401

The movement in the ECL allowance of other receivables and deposits is as follows:

	2024 HK$'000	2023 HK$'000
At 1 April	**4,755**	4,925
ECL recognised for the year	**1,263**	2,185
Written-off	**(173)**	(2,346)
Reversal of ECL recognised for the year	**(624)**	(9)
Reclassified as assets held for sale (note 31(a))	**(5,121)**	–
At 31 March	**100**	4,755

The directors consider that the fair values of other receivables, deposits and prepayments which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

22. FINANCIAL ASSETS AT FVTPL

	2024 HK$'000	2023 HK$'000
Non-current assets:		
Investment in a life insurance policy (note a)	**6,983**	6,845
Current assets:		
Securities held-for-trading:		
– Listed equity securities – Hong Kong (note b)	**1,101**	9,097
	8,084	15,942

Note a: The Group entered into a life insurance policy with an insurance company to insure Mr. Cheung Hoo Win, 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) ("**Sum Assured**"). The Group is the policy holder and the beneficiary of the policy. The Group has paid an 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 back 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 ("**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 investment in a life insurance policy is denominated in United States dollars ("**USD**") and the fair value is determined with reference to the Cash Value as provided by the insurance company. The entire balance of investment in a life insurance policy has been pledged to a bank as security for the banking facilities granted to the Group (note 28).

Note b: The fair values of listed securities are determined based on the quoted market bid prices available on relevant exchange.

23. CLIENT TRUST FUNDS

The Group maintains segregated trust accounts with authorised financial institutions to hold clients' monies arising from its securities brokerage and margin financing business. The Group has classified the clients' monies as client trust funds under current assets on the consolidated statement of financial position and recognised the corresponding accounts payable to respective clients on the basis that it is liable for any loss or misappropriation of clients' monies. The cash held on behalf of customers is restricted and governed by Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance. The Group is restricted to use the clients' monies to settle its own obligations.

At the end of reporting period, client trust funds are interest-bearing at bank deposit savings rate.

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

	2024 **HK$'000**	2023 HK$'000
USD	**7,878**	3,988
Renminbi ("**RMB**")	**227**	446
New Taiwanese dollar ("**NTD**")	**17,562**	28,538

As at 31 March 2024, the client trust funds attributable to EL Group was classified as assets held for sale (note 31(a)).

24. CASH AND CASH EQUIVALENTS

	2024 **HK$'000**	2023 HK$'000
Cash at bank	**18,178**	62,492
Cash in hand	**40**	76
	18,218	62,568

Cash at bank comprises short-term bank deposits which carry interest at prevailing market rate. The maturity of bank deposit was within three months.

24. CASH AND CASH EQUIVALENTS (CONTINUED)

As at the reporting date, the Group's cash and cash equivalents that are not denominated in the functional currency of the respective group entities are as follows:

	2024 HK$'000	2023 HK$'000
RMB	**6**	879
NTD	**–**	339
USD	**–**	2,444

For the cash and cash equivalents classified as assets held for sale:

	2024 HK$'000	2023 HK$'000
RMB	**548**	–
NTD	**362**	–
USD	**2,048**	–

25. ACCOUNTS PAYABLE

As at 31 March 2024, accounts payable (including accounts payable reclassified as liabilities associated with assets held for sale) are mainly in relation to the securities and futures dealing and brokerage services. Including HK$67,553,000 (2023: HK$106,657,000) are interest-bearing at the 0.01% (2023: bank deposit savings rates) per annum and are repayable on demand. 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 HK$'000	2023 HK$'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 EL Group was classified as liabilities associated with assets held for sale (note 31(a)).

26. OTHER PAYABLES AND ACCRUALS

	2024 HK$'000	2023 HK$'000
Construction payables	**615**	1,097
Interest payables	**5,033**	2,194
Accrued expenses	**1,199**	6,162
Other payables	**1,700**	1,362
	8,547	10,815

27. PROMISSORY NOTES PAYABLE

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

	2024 HK$'000	2023 HK$'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

28. LOANS

	2024 HK$'000	2023 HK$'000
Loans comprise:		
– secured bank loans (note a)	**135,992**	154,555
– other secured loans (note b)	**34,999**	26,150
	170,991	180,705

As at the reporting date, the Group's loans were either repayable within one year or repayable on demand.

28. LOANS (CONTINUED)

Notes:

(a) As at 31 March 2024, bank loans amounted to HK$131,641,000 (2023: HK$138,888,000) is interest bearing at 1.9% (2023: 1.9%) per annum over Hong Kong Interbank Offered Rate ("**HIBOR**"), and were secured by an investment property (note 16) of the Group with a carrying value of HK$420,000,000 (2023: HK$441,500,000) and rental proceeds in respect of the investment property, and guaranteed by the Company.

As at 31 March 2024, the bank loans amounted to HK$4,351,000 (2023: HK$4,505,000) is interest bearing at 1.26% per annum over Secured Overnight Financing Rate ("**SOFR**") (2023: 1% per annum over London Interbank Offered Rate ("**LIBOR**")), and is secured by the above-mentioned investment property of the Group, rental proceeds in respect of the investment property and an investment in a life insurance policy (note 22) of the Group with a carrying value of HK$6,983,000 (2023: HK$6,845,000), and guaranteed by the Company.

As at 31 March 2023, the bank loans amounted to HK$11,162,000 is interest bearing at floating rate of 2.75% per annum below Hong Kong Dollar Best Lending Rate as determined by the bank and is secured by an investment property (note 31(b)) of the Group with a carrying value of HK$30,000,000 and the Company's corporate guarantee. As at 31 March 2023, this investment property was classified as assets held for sale. Details are set out in note 31(b). During the year ended 31 March 2024, such loan is fully settled.

(b) As at 31 March 2024, other secured loans amounted to HK$18,999,000 (2023: HK$26,150,000) are interest-bearing at 5.125% (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 HK$21,808,000 (2023: HK$32,438,000) and jointly guaranteed by the Company and an entity within the Group.

As at 31 March 2024, other secured loans amounted to HK$6,000,000 are interest-bearing at 12% per annum 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 HK$15,097,000.

As at 31 March 2024, other secured loans amounted to HK$10,000,000 are 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 HK$13,255,000 and guaranteed by an entity within the Group.

29. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2024 HK$'000	2023 HK$'000
Total minimum lease payments:		
– within one year	**479**	4,583
– after one year but within two years	**332**	2,384
– after two years but within five years	**–**	–
	811	6,967
Less: future finance charges	**(45)**	(157)
Present value of lease liabilities	**766**	6,810
Present value of lease liabilities:		
– within one year	**442**	4,447
– after one year but within two years	**324**	2,363
– after two years but within five years	**–**	–
	766	6,810
Less: Portion due within one year included under current liabilities	**(442)**	(4,447)
Portion due after one year included under non-current liabilities	**324**	2,363

During the year ended 31 March 2024, the total cash outflows for the leases amounted to HK$4,840,000 (2023: HK$5,483,000).

As at 31 March 2024, lease liabilities (including liabilities associated with assets held for sale) amounting to HK$3,129,000 (2023: HK$6,810,000) are effectively secured by the related underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

As at 31 March 2024, the Group had 4 leases (2023: 5) (including 2 leases classified as assets held for sale) under HKFRS 16 for offices with remaining lease term of 0.6 to 1.9 years (2023: 0.4 to 1.6 years). These leases do not contain option to renew the lease and are subjected to monthly fixed rental payment.

30. CONVERTIBLE BONDS

	Liability Component HK$'000	Equity component HK$'000	Total HK$'000
At 1 April 2022	21,993	2,433	24,426
Interest at effective interest rate (note 8)	2,241	–	2,241
Interest paid	(1,380)	–	(1,380)
At 31 March 2023 and 1 April 2023	**22,854**	**2,433**	**25,287**
Interest at effective interest rate (note 8)	**830**	**–**	**830**
Interest paid	**(684)**	**–**	**(684)**
Matured and redeemed	**(23,000)**	**(2,433)**	**(25,433)**
At 31 March 2024	**–**	**–**	**–**

On 16 July 2020, the Company entered into a conditional agreement to place up to HK$23,000,000 convertible bonds (the "**Placement**"). The Placement was completed on 10 August 2020 (the "**Issue Date**") and the convertible bonds will mature on third anniversary of the Issue Date. As the convertible bonds will be mature within 12 months, amounts were classified as current liabilities for the year ended 31 March 2023.

The coupon rate for the convertible bonds is 6% per annum. The maturity date is the third anniversary of the Issue Date, and the conversion period will commence from the thirty months after the Issue Date up to the maturity date. The convertible bonds was initially convertible into 1,045,454,545 ordinary shares at the conversion price of HK$0.022 and subsequently adjusted to 104,545,454 shares at the conversion price of HK$0.22 upon the completion of share consolidation on 28 September 2020. The Company may at any time before the maturity date with mutual written consent with the relevant holder to redeem the outstanding bond (in whole or in part) at 100 percent to the principal amount of the bond to be redeemed with the outstanding interest accrued thereon up to and including the date of early redemption. For more details of the Placement, please refer to the announcement of the Company dated 16 July 2020 and the supplemental announcement dated 21 July 2020.

The initial fair values of the liability component and the equity component of the convertible bonds, based on proceeds, were determined at issuance of the bonds. On initial recognition, the fair value of the liability component, included in the convertible bonds, was calculated using a market interest rate of 10.44% for an equivalent non-convertible bond. The residual amount, representing the value of the equity component, is included in equity as convertible bonds reserve.

The initial fair value measurement of the liability component is classified in level 3. The liability is subsequently carried at amortised cost using the effective interest method, adjusted for the Group's own risk premium. The fair value of the liability component, amounting to HK$22,854,000 as at 31 March 2023, is estimated as being the present value of future cash flows, discounted at interest rate based on the market interest rate for equivalent non-convertible bonds.

No convertible bonds were converted to ordinary shares of the Company during the years ended 31 March 2024 and 2023. The convertible bonds matured and were redeemed on 9 August 2023.

31. 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 (note 23)	**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 Disposal of EL Group. Details were set out in the Company's announcements dated 22 March 2024 and 21 June 2024.

31. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

(a) Disposal of EL Group *(Continued)*

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.

The amount of credit facilities granted to clients is determined by reference to the market value of the collateral securities held by the EL Group. As at 31 March 2024, the total market value of securities pledged as collateral in respect of the loans to clients was approximately HK$31,668,000.

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.

As at 31 March 2024, there are 27 secured margin loans with the aggregate gross amount of approximately HK$9,561,000. The borrowers hold Hong Kong listed marketable securities under the securities account in one of the Group entities. The Group has the right to sell or require a sale of all these securities and use the proceeds to repay the outstanding loans in the event that the borrowers fail to pay the amount due on due date. The remaining gross balance of margin loans of approximately HK$1,488,000 were unsecured.

As at 31 March 2024, there is 1 individual loan with net carrying amount, on an individual basis, being more than 10% of the net carrying amount of the total loans receivable.

31. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

(a) Disposal of EL Group *(Continued)*

Notes: (Continued)

(i) (Continued)

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 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

As at 31 March 2024, EL Group held listed securities in client accounts with market value of approximately HK$30,849,000 as collateral over secured balances of HK$10,530,000.

The directors consider that the fair values of accounts receivable which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

31. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

(b) Disposal of Ocean View

During the year ended 31 March 2023, the directors of the Company 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

Notes: Subsequent to classification of assets held for sale, fair value loss of HK$11,000,000 was recognised. Details are set out in note 16.

	HK$'000
Reclassified from investment properties (note 16)	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 (note 28).

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**").

31. ASSETS CLASSIFIED AS HELD FOR SALE (CONTINUED)

(b) Disposal of Ocean View *(Continued)*

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

32. SHARE CAPITAL

	Number of shares		Amount	
	2024	2023	**2024**	2023
			HK$'000	HK$'000
Authorised:				
Ordinary shares				
At 1 April and 31 March (HK$0.1 each)	**20,000,000,000**	20,000,000,000	**2,000,000**	2,000,000
Issued and fully paid:				
Ordinary shares				
At 1 April	**709,315,013**	709,315,013	**70,932**	70,932
Shares issued upon exercise of warrants (note)	**1,695,186**	–	**169**	–
At 31 March	**711,010,199**	709,315,013	**71,101**	70,932

Note:

Shares issued in respect of warrants – 2023

On 18 August 2023, the board of directors of the Company proposed a new issue of bonus warrants to the shareholders of the Company on the basis of 1 warrant for every 5 shares (the "**Bonus Issue of Warrants – 2023**"). For details of the Bonus Issue of Warrants – 2023, please refer to the announcement of the Company dated 18 August 2023. On 15 September 2023, the shareholders of the Company approved the Bonus Issue of Warrants – 2023, pursuant to which 141,863,002 warrants were issued. The initial subscription price was HK$0.138 per share, and the exercise period is from 5 October 2023 to 4 October 2024 (both days inclusive).

During the period from 5 October 2023 to 31 March 2024, 1,695,186 units of warrants under the Bonus Issue of Warrants – 2023 had been exercised by the holders thereof. As a result, 1,695,186 shares were issued and allotted by the Company to the holders of such warrants. The 1,695,186 shares issued rank pari passu in all respects with the then existing shares. As at 31 March 2024, 140,167,816 units of warrants remained outstanding.

33. RESERVES

(a) Special capital reserve

Special capital reserve represents the amounts transferred from the Company's share capital upon adjustments of the nominal value of the Company's share in prior years. Under the Companies Act 1981 of Bermuda (the "**Act**"), the special capital reserve is distributable to shareholders under certain circumstances.

(b) Contributed surplus

The contributed surplus represents the difference between the fair value of the subsidiaries acquired pursuant to the Group reorganisation in November 1991 and the nominal value of the shares issued by the Company and the transfer from share premium account in December 2000, less the transfer to the capital redemption reserve of HK$6,040,000 in November 2000, and the shares repurchased in April 2013. Under the Act, the Company's contributed surplus is distributable to shareholders under certain circumstances, and the dividend paid was recognised as distribution.

(c) Capital redemption reserve

Except for the capital redemption reserve of HK$6,040,000 recognised in November 2000 as mentioned in note 33(b), HK$1,440,000 are transferred from share capital to capital redemption reserve in April 2013 for repurchasing and cancelling a total of 144,000,000 issued ordinary shares of HK$0.01 each.

34. COMMITMENTS

(a) Operating lease commitments

As lessee

At the end of reporting period, the lease commitments for a short-term lease of premises are as follows:

	2024 HK$'000	2023 HK$'000
Within one year	–	102

As lessor

At 31 March 2024 and 2023, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of land and buildings as follows:

	2024 HK$'000	2023 HK$'000
Within 1 year	6,000	–
After 1 year but within 2 years	6,000	–
After 2 years but within 3 years	4,500	–
	16,500	–

The Group leases its investment property (note 16) under operating lease arrangements which run for an initial period of three years. The terms of the leases generally also require the tenants to pay security deposits.

(b) Capital commitments

	2024 HK$'000	2023 HK$'000
Capital expenditure contracted but not provided for acquisition of property, plant and equipment	–	105

35. RELATED PARTY TRANSACTIONS

During the years ended 31 March 2024 and 2023, the Group had the following related party transactions or continuing related party transactions, certain of which fall under the definition of connected transactions or continuing connected transactions in Chapter 14A of the Listing Rules, but are exempted from the reporting, announcement, shareholders' approval and annual review requirements under the Listing Rules.

(a) Compensation to key management personnel of the Group:

	2024 HK$'000	2023 HK$'000
Short-term benefits	**2,368**	2,238
Post-employment benefits	**36**	36
	2,404	2,274

Key management of the Group are the executive directors. The emoluments of directors were determined by the Remuneration Committee having regard to the performance of individual and market trends.

(b) Material transactions with its related parties:

	2024 HK$'000	2023 HK$'000
Commission received from Mr. Cheung Chi Shing (note (i))	**76**	35
Commission received from Mr. Cheung Hoo Win (note (i))	**1**	3
Commission received from Ms. Cheung Lok Chi (note (ii))	**12**	–
Commission received from Mr. Cheung Hoo Yin (note (ii))	**14**	54
Interest on promissory notes payable to Elfie Limited (note (iii))	**883**	1,536
Interest on promissory notes payable to Kenvonia Family Limited (note (iv))	**3,690**	6
Rental income received from K.C. (Asset) Limited (note v)	**1,500**	–
Rental expense paid to Silvermine Beach Resort Limited (note (vi))	**11**	12

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Material transactions with its related parties: *(Continued)*

Notes:

(i) Mr. Cheung Chi Shing is the father of Mr. Cheung Hoo Win, the executive director and Chief Executive Officer of the Company.

(ii) Ms. Cheung Lok Chi ("**Ms. Cheung**") and Mr. Cheung Hoo Yin are substantial shareholders of the Company.

(iii) Elfie Limited is beneficially owned by Mr. Cheung Chi Shing and Ms. Yeung Han Yi Yvonne. The directors of Elfie Limited are Mr. Cheung Hoo Win, Ms. Cheung and Mr. Cheung Hoo Yin. Ms. Cheung and Mr. Cheung Hoo Yin are the children of Mr. Cheung Chi Shing and Ms. Yeung Han Yi Yvonne. Mr. Cheung Hoo Win, Ms. Cheung and Mr. Cheung Hoo Yin are the shareholders and directors of Kenvonia Family Limited.

(iv) Kenvonia Family Limited has become the immediate and ultimate holding company of the Company since 15 December 2022 following the satisfaction of the condition to cash offers.

(v) K.C. (Asset) Limited is beneficially owned by Mr. Cheung Chi Shing.

(vi) Silvermine Beach Resort Limited is wholly owned by Ms. Cheung.

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) As at the reporting date, the Group had the following material balances with its related parties:

	2024 HK$'000	2023 HK$'000
Accounts payable (note (i)):		
Amount due to Mr. Cheung Chi Shing	**1,413**	2,873
Amount due to Mr. Cheung Hoo Win	**785**	1,085
Amount due to Ms. Cheung	**330**	1,208
Amount due to Mr. Cheung Hoo Yin	**189**	125
Amount due to K.Y. Limited (note (ii))	**230**	230
Amount due to Ms. Yeung Han Yi Yvonne	**153**	56
Amount due to Mr. Cheng Tze Hin (note (iii))	**30**	14
Amount due to Kenvonia Family Limited	**405**	935
Promissory notes payable (note (iv)):		
Amount due to Elfie Limited	**11,333**	20,000
Amount due to Kenvonia Family Limited	**55,000**	30,000
Interest payable on Promissory notes:		
Amount due to Elfie Limited	**408**	1,393
Amount due to Kenvonia Family Limited	**3,697**	6

Notes:

(i) The amount is unsecured, interest bearing at the 0.01% (2023: bank deposit savings rates) per annum and repayable on demand.

(ii) Mr. Cheung Chi Shing and Ms. Yeung Han Yi Yvonne are the directors of K.Y. Limited.

(iii) Mr. Cheng Tze Hin is the husband of Ms. Cheung.

(iv) The interest rates for the promissory notes payable at 8% (2023: ranged from 5% to 8%) per annum.

36. PRINCIPAL SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets and liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of subsidiaries	Place of incorporation/ operations	Particulars of issued and paid up capital	Percentage of ownership interest 2024	2023	Principal activities
Direct subsidiary					
Styland Enterprises Limited	Hong Kong	2 shares	**100**	100	Provision of management services
Indirect subsidiaries					
Devonia Development Limited	Hong Kong	1,000 shares	**100**	100	Property investment
Ever-Long Asset Management Limited	Hong Kong	10,000,000 shares	**100**	100	Securities trading
Ever-Long Capital Limited	British Virgin Islands ("**BVI**")/ Hong Kong	4,000,000 shares of US$1 each	**100**	100	Provision of financing services
Ever-Long Capital Management Limited	Hong Kong	1,000,000 shares	**100**	100	Provision of asset management services
Ever-Long Finance Limited	Hong Kong	22,500,000 shares	**100**	100	Provision of financing services
Ever-Long Securities Company Limited	Hong Kong	165,000,000 shares	**100**	100	Securities brokerage and provision of financing services
Ocean View	Hong Kong	10,000 shares	**N/A**	100	Property investment
Long River Investments Holdings Limited	BVI/Hong Kong	200 shares of US$1 each	**100**	100	Securities trading
Styland (International) Limited	Hong Kong	100,000 shares	**100**	100	Securities trading
Choice Insurance	Hong Kong	4,475,000 shares	**100**	100	Insurance brokerage services

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2024 HK$'000	2023 HK$'000
ASSETS AND LIABILITIES			
Non-current asset			
Investments in subsidiaries	*36*	**–**	–
Current assets			
Other receivables		**475**	320
Amounts due from subsidiaries	*37(a)*	**327,887**	555,787
Cash and cash equivalents		**478**	224
		328,840	556,331
Current liabilities			
Other payables and accruals		**605**	1,926
Convertible bonds	*30*	**–**	22,854
Amounts due to subsidiaries	*37(a)*	**–**	122,368
		605	147,148
Net current assets and net assets		**328,235**	409,183
EQUITY			
Share capital	*32*	**71,101**	70,932
Reserves	*37(b)*	**257,134**	338,251
Total equity		**328,235**	409,183

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

Cheung Hoo Win
Executive Director

Ng Yiu Chuen
Executive Director

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Notes:

(a) Amounts due from/to subsidiaries

The amounts due from/to subsidiaries were unsecured, except for amount due from subsidiaries of HK$152,889,000 (2023: HK$160,352,000) is interest bearing at prime rate, non-interest bearing and repayable on demand.

(b) Reserves

	Share premium HK$'000	Capital redemption reserve HK$'000	Special capital reserve HK$'000	Contributed surplus HK$'000	Share option reserve HK$'000	Convertible bonds reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2022	191,551	7,480	571,147	530,902	7,591	2,433	(944,129)	366,975
Loss for the year and total comprehensive expense for the year	–	–	–	–	–	–	(28,724)	(28,724)
Lapse of share options	–	–	–	–	(7,591)	–	7,591	–
Total transactions with owners	–	–	–	–	(7,591)	–	7,591	–
At 31 March 2023 and 1 April 2023	**191,551**	**7,480**	**571,147**	**530,902**	**–**	**2,433**	**(965,262)**	**338,251**
Loss for the year and total comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(81,181)**	**(81,181)**
Exercised of bonus warrants	**64**	**–**	**–**	**–**	**–**	**–**	**–**	**64**
Redemption of convertible bonds	**–**	**–**	**–**	**–**	**–**	**(2,433)**	**2,433**	**–**
Total transactions with owners	**64**	**–**	**–**	**–**	**–**	**(2,433)**	**2,433**	**64**
At 31 March 2024	**191,615**	**7,480**	**571,147**	**530,902**	**–**	**–**	**(1,044,010)**	**257,134**

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be reconciled as follows:

	Interest payable HK$'000	Promissory notes payable HK$'000	Convertible bonds HK$'000	Loans HK$'000	Lease liabilities HK$'000	Total HK$'000
1 April 2022	678	35,000	21,993	192,525	11,569	261,765
Cash flows:						
– Proceeds	–	30,000	–	22,450	–	52,450
– Repayments	–	(15,000)	–	(34,283)	–	(49,283)
– Interest paid	(9,191)	–	(1,380)	–	–	(10,571)
– Capital element of lease liabilities	–	–	–	–	(4,982)	(4,982)
– Interest element of lease liabilities	–	–	–	–	(256)	(256)
Non-cash changes:						
– Enter into new lease	–	–	–	–	225	225
– Finance cost	10,707	–	2,241	–	256	13,204
– Early termination of lease	–	–	–	–	(2)	(2)
– Exchange difference	–	–	–	13	–	13
31 March 2023 and 1 April 2023	**2,194**	**50,000**	**22,854**	**180,705**	**6,810**	**262,563**
Cash flows:						
– Proceeds	**–**	**36,333**	**–**	**18,500**	**–**	**54,833**
– Repayments	**–**	**(20,000)**	**(23,000)**	**(28,199)**	**–**	**(71,199)**
– Interest paid	**(14,043)**	**–**	**(684)**	**–**	**–**	**(14,727)**
– Capital element of lease liabilities	**–**	**–**	**–**	**–**	**(4,554)**	**(4,554)**
– Interest element of lease liabilities	**–**	**–**	**–**	**–**	**(152)**	**(152)**
Non-cash changes:						
– Enter into new lease	**–**	**–**	**–**	**–**	**897**	**897**
– Finance cost	**16,882**	**–**	**830**	**–**	**152**	**17,864**
– Classified as liabilities associated with assets held for sale	**–**	**–**	**–**	**–**	**(2,363)**	**(2,363)**
– Early termination of lease	**–**	**–**	**–**	**–**	**(24)**	**(24)**
– Exchange difference	**–**	**–**	**–**	**(15)**	**–**	**(15)**
31 March 2024	**5,033**	**66,333**	**–**	**170,991**	**766**	**243,123**

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and its investment activities. The risks associated with these financial instruments include market risks (including currency risk, interest rate risk and other price risk), credit risk, liquidity risk and risks arising from the interest rate benchmark reform.

The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

39.1 Categories of financial instruments

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2024 HK$'000	2023 HK$'000
Financial assets		
Financial assets at amortised cost:		
– loans receivable	**88,494**	111,603
– accounts receivable	**336**	26,519
– other receivables and deposits	**9,469**	6,267
– client trust funds	**–**	87,032
– cash and cash equivalents	**18,218**	62,568
	116,517	293,989
Financial assets at FVTPL		
– Listed equity securities	**1,101**	9,097
– Investment in a life insurance policy	**6,983**	6,845
	8,084	15,942
Financial liabilities		
Other financial liabilities at amortised cost		
– accounts payable	**276**	107,029
– other payables and accruals	**8,393**	10,760
– promissory notes payable	**66,333**	50,000
– loans	**170,991**	180,705
– lease liabilities	**766**	6,810
– convertible bonds	**–**	22,854
	246,759	378,158

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

39.2 Market risk

(i) Currency risk

The Group's business activities and its assets and liabilities were mainly denominated in HK$, RMB, NTD and USD. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

USD is not the functional currency of the Group. However, given that HK$ is pegged to USD, the Group does not expect any significant movements in the USD/HK$ exchange rates. In the opinion of directors of the Company, the foreign currency sensitivity does not give additional value in view of insignificant movement in the USD/HK$ exchange rates in relation to client trust funds, accounts receivable, accounts payable and cash and cash equivalents at the end of the reporting period.

The directors of the Company considered that the effect of currency risk is insignificant as the Group has minimal exposure in RMB and NTD and there is the linked exchange rate system of Hong Kong dollar against United States dollar. Accordingly, no sensitivity analysis in relation to foreign currency exposure has been carried out by the management.

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to loans receivable, accounts receivable, client trust funds, cash and cash equivalents, certain accounts payable and secured bank loans which bears variable interest rates. Lease liabilities of the Group is carried with fixed interest rates. The interest rate risk is managed by the directors of the Company on an ongoing basis with the primary objective of limiting extent to which interest expense could be affected by adverse movement in interest rates.

The sensitivity analysis below has been determined based on the exposure to interest rates for accounts receivable, loans receivable, client trust funds, cash and cash equivalents, certain accounts payable and secured bank loans at the end of reporting period. The analysis is prepared assuming financial instruments outstanding at the end of reporting period were outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2024 would increase by HK$1,528,000 (2023: increase of loss of HK$1,126,000).

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

39.2 Market risk *(Continued)*

(iii) Other price risk

Other price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the values of individual securities. The Group is exposed to equity price risk arising from individual equity investment classified as FVTPL as at 31 March 2024. The Group's listed investments are valued at quoted market prices at the reporting date. In addition, the Group monitors the price risk exposure and will consider hedging the risk exposure should the need arise.

The sensitivity analysis below have been determined based on the Group's exposure to equity price risks at the reporting date.

If the price of the respective listed securities classified as FVTPL had been 5% higher/lower, the post-tax loss (2023: loss) for the year ended 31 March 2024 would decrease/increase (2023: decrease/increase) by approximately HK$55,000 (2023: HK$455,000) for the Group, as a result of the changes in fair value of financial assets classified as FVTPL.

39.3 Credit risk

The Group's exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

At 31 March 2023, the Group has concentration of credit risk of 22% and 56% of total accounts receivable were due from the Group's largest accounts receivable and the five largest accounts receivable respectively. The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 100% of the total accounts receivable as at 31 March 2023.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

39.3 Credit risk *(Continued)*

In order to minimise the credit risk, the management had delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action such as margin calls to customers was taken to recover overdue balances.

In respect of loans or credit limits granted to customers of business of securities dealing and brokerage services, the limit will be determined based on the assessment on financial status, repayment records and the liquidity and the fair value of collaterals pledged to the Group and the interest rate was determined thereon.

The table below detail the credit risk exposures of the Group financial assets and contract asset (including those classified as assets held for sale), which are subject to ECL assessment:

	Notes	12-month or lifetime ECL	2024 Gross carrying amount HK$'000	2023 Gross carrying amount HK$'000
Accounts receivable arising from business of securities dealing and brokerage services	i	12-month ECL	**8,034**	14,291
		Lifetime ECL (not credit-impaired)	**5,128**	8,391
		Credit-impaired	**6,795**	6,235
			19,957	28,917
Accounts receivable arising from insurance brokerage business	ii	Lifetime ECL (collective assessment)	**336**	289
Loans receivable	i, iii	12-month ECL	**85,534**	89,160
		Lifetime ECL (not credit-impaired)	**1,265**	3,468
		Credit-impaired	**29,171**	36,110
			115,970	128,738

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

39.3 Credit risk *(Continued)*

	Notes	12-month or lifetime ECL	2024 Gross carrying amount HK$'000	2023 Gross carrying amount HK$'000
Interest receivables	iii	12-month ECL	**838**	1,051
		Lifetime ECL (not credit-impaired)	**–**	139
		Credit-impaired	**5,536**	5,592
			6,374	6,782
Other receivables other than interest receivables	iv	12-month ECL	**10,771**	4,240
Client trust funds	v	12-month ECL	**62,227**	87,032
Cash and cash equivalents	v	12-month ECL	**26,808**	62,568
Contract asset	ii	Lifetime ECL (collective assessment)	**–**	471

Notes:

(i) Accounts receivable from clearing house and brokers are grouped based on shared credit risk characteristics with reference to the external credit ratings and/or industry engaged by the debtors. No impairment is recognised during the year ended 31 March 2024 (2023: HK$Nil).

The Group assesses ECL on accounts receivable from cash clients and loans receivable from margin client under HKFRS 9 based on probability-weighted loss default approach by reviewing the recoverable amount of debtors, which shared credit risk characteristics, collectively at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. At each reporting date, the probability of default, loss given default and discount factor are updated and analysed, the loss given default was based on the percentage of contractual claims that would be lost if the counter-party defaults and reduced by the expected recoverable amount from the collateral after adjusting the estimated costs of obtaining and selling the collateral. The ECL allowance was measured based on the ECL assessment result.

(ii) For accounts receivable arising from insurance brokerage business and contract asset, the Group has applied simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or which are credit-impaired, the Group determines the ECL on these items on a collective basis.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

39.3 Credit risk *(Continued)*

Notes: (Continued)

(iii) For the mortgage and other financing business, to ensure that adequate impairment losses are made for irrecoverable amounts, the Group assesses ECL on loans receivable and interest receivables arising from financing business based on probability-weighted loss default approach by reviewing the recoverable amount and assesses ECL on loans receivable and interest receivables for debtors individually at the end of each reporting period. At each reporting date, the probability of default, loss given default and discount factor are updated and analysed. The directors consider that the credit risk arising from secured mortgage loans and their interest receivables is significantly mitigated by the property held as collateral, with reference to the estimated market value of the property as at the end of the reporting period.

(iv) The management make periodic collective and individual assessment on the recoverability of these receivables based on historical settlement records and past experience as well as current external information and adjusted to reflect probability-weighted forward-looking information, including the default rate where the relevant debtors operate.

(v) The credit risks on client trust funds, pledged bank deposits and cash and cash equivalents is limited because the counterparties are reputable bank and brokers.

The movement in the ECL allowance of accounts receivable, contract asset, loans receivable and other financial assets are as follow:

	12-month ECLs	Lifetime ECLs		
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Total HK$'000
Balance at 1 April 2022	261	3,153	21,993	25,407
ECL recognised for the year	483	244	2,718	3,445
Reversal of ECL recognised for the year	–	(60)	(113)	(173)
Transfer	–	(3,057)	3,057	–
Written off	–	(244)	(3,858)	(4,102)
Balance at 31 March 2023 and 1 April 2023	**744**	**36**	**23,797**	**24,577**
ECL recognised for the year	**2,404**	**130**	**3,748**	**6,282**
Reversal of ECL recognised for the year	**(503)**	**(36)**	**(4,141)**	**(4,680)**
Written off	**(141)**	**–**	**(5,260)**	**(5,401)**
Reclassify as assets held for sale (note 31(a))	**(519)**	**(130)**	**(16,228)**	**(16,877)**
Balance at 31 March 2024	**1,985**	**–**	**1,916**	**3,901**

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

39.3 Credit risk *(Continued)*

The management considered the loans receivable of HK$2,922,000 and interest receivables of HK$580,000 from a secured loan are credit-impaired and recognised under stage 3. ECL allowance of HK$2,726,000 and HK$331,000 for loans receivable and interest receivables were transferred from stage 2 during the year ended 31 March 2023. ECL allowance on loans receivable of HK$107,000 (2023: HK$89,000) and ECL allowance on interest receivables of HK$8,000 (2023: HK$248,000) have been recognised during the year ended 31 March 2024. During the year ended 31 March 2024, the debtor entered into a settlement agreement with the Group with partial repayment, total ECL allowance on loans receivable and interest receivables of HK$1,297,000 was reversed and the remaining ECL allowance on loans receivable of HK$2,214,000 has been subsequently written off.

In addition, the Group act as an investment manager of a debtor, which is in progress of winding up during the year ended 31 March 2023. The management considered the amount is credit impaired and recognised under stage 3. ECL allowance of HK$1,388,000 was recognised and subsequently written off during the year ended 31 March 2023.

Moreover, ECL allowance on loans receivable and interest receivables amounting to HK$2,400,000 and HK$36,000 related to the mortgage financing segment were reversed, due to the settlement during the year ended 31 March 2024.

Except for above-mentioned, during the year ended 31 March 2024, loans receivable under financing business of HK$1,077,000 (2023: HK$1,756,000) with interest receivables of HK$173,000 (2023: HK$958,000), loans receivable from margin clients of HK$1,581,000 (2023: Nil) and accounts receivable from cash clients of HK$356,000 (2023: Nil) were written off due to (i) debtor's bankruptcy; (ii) amount past due for over 2 years; or (iii) irrecoverable amount after disposing of the collateral.

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

39.4 Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate banking facilities from major financial institutions to meet its liquidity requirements in the short and long term.

In addition, the Group has put in place monitoring system to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with the minimum liquid capital requirements in respect of its regulated activities.

Liquidity tables

The following table details the Group's contractual maturity of its financial liabilities as at 31 March 2024 and 2023. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay.

As at 31 March 2024	Interest rate	On demand/ within one year HK$'000	One year to two years HK$'000	Over two years but within 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities						
Accounts payable	–	276	–	–	276	276
Other payables and accruals	–	8,393	–	–	8,393	8,393
Lease liabilities	6.19% – 6.56%	479	332	–	811	766
Promissory notes payable	8%	35,501	37,554	–	73,055	66,333
Loans*	6.58% – 12%	170,991	–	–	170,991	170,991
		215,640	37,886	–	253,526	246,759

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

39.4 Liquidity risk *(Continued)*

Liquidity tables *(Continued)*

As at 31 March 2023 (Restated)	Interest rate	On demand/ within one year HK$'000	One year to two years HK$'000	Over two years but within 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities						
Accounts payable	0.55%	107,029	–	–	107,029	107,029
Other payables and accruals	–	10,760	–	–	10,760	10,760
Convertible bonds	6%	23,684	–	–	23,684	22,854
Lease liabilities	1.65%-6.89%	4,583	2,384	–	6,967	6,810
Promissory notes payable	5%-8%	21,393	30,006	–	51,399	50,000
Loans*	3.1%-8.38%	180,705	–	–	180,705	180,705
		348,154	32,390	–	380,544	378,158

* The loan agreements contain a repayment on-demand clause giving the lenders unconditional right to call for immediate repayment of the loans. Taking into account the Group's financial position, the directors consider that it is not probable that the lenders will exercise their discretionary rights to demand immediate repayment. The directors consider that such loans will be repaid after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements.

As at 31 March 2024 and 2023, the aggregate undiscounted principal and interests of the loans repayable in accordance with the scheduled payment terms were as follows:

	Less than 1 year HK$'000	1 to 2 years HK$'000	2 to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amounts HK$'000
As at 31 March 2024	**67,316**	**10,663**	**31,989**	**171,396**	**281,364**	**170,991**
As at 31 March 2023	50,808	14,869	37,691	207,220	310,588	180,705

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

39.5 Fair value measurements

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured at the reporting date on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurements. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

As at 31 March 2024	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets				
Financial assets at FVTPL				
– Listed equity securities	**1,101**	**–**	**–**	**1,101**
– Investment in a life insurance policy	**–**	**6,983**	**–**	**6,983**
Financial assets at FVOCI				
– An unlisted equity security	**–**	**–**	**–**	**–**
	1,101	**6,983**	**–**	**8,084**

As at 31 March 2023	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets				
Financial assets at FVTPL				
– Listed equity securities	9,097	–	–	9,097
– Investment in a life insurance policy	–	6,845	–	6,845
Financial assets at FVOCI				
– An unlisted equity security	–	–	–	–
	9,097	6,845	–	15,942

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

39.5 Fair value measurements *(Continued)*

Fair value measurements recognised in the consolidated statement of financial position *(Continued)*

During the years ended 31 March 2024 and 2023, there were no transfers between Level 1, Level 2 and Level 3.

The financial asset at FVOCI represents the investment in equity interest in a private entity that offers the Group the opportunity for return through distribution. As at 31 March 2024 and 2023, the financial asset at FVOCI was measured at fair value which was determined using the net asset value approach of the entity. The effects of unobservable inputs are not significant.

The directors consider that the carrying amounts of other financial assets and financial liabilities which are mature within one year and measured at amortised cost in the consolidated financial statements approximate their fair values due to short-term or immediate maturities. For financial assets and financial liabilities with over one year of maturity, the directors consider that there is no significant change to their discount rate and its carrying amounts are approximate the fair values.

40. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group is not subject to any externally imposed capital requirements except for certain subsidiaries engaging in securities dealing and brokerage service, corporate finance, advisory service, asset management and insurance brokerage that are the regulated entities under the Securities and Futures Ordinance and Insurance Ordinance and are subject to the respective minimum capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 2023.

The capital structure of the Group consists of debts which included loans, lease liabilities, convertible bonds and promissory notes payable less cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital as disclosed in note 32 and reserves.

40. CAPITAL RISK MANAGEMENT (CONTINUED)

The directors review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and risks associated with each class of capital and will balance its overall capital structure through the raise of borrowings, payment of dividends and issue of share options and new shares. There is no change in the capital risk management policy adopted by the Group during the years ended 31 March 2024 and 2023. The Group monitors its capital structure on the basis of the net debt to equity ratio. The net debt to equity ratio (excluding assets and liabilities classified as held for sale) at the reporting date was:

	2024 HK$'000	2023 HK$'000
Loans	**170,991**	180,705
Lease liabilities	**766**	6,810
Convertible bonds	**–**	22,854
Promissory notes payables	**66,333**	50,000
Less: Cash and cash equivalents	**(18,218)**	(62,568)
Net debt	**219,872**	197,801
Equity attributable to owners of the Company	**334,568**	411,132
Net debt to equity ratio	**65.7%**	48.1%

41. EVENT AFTER THE REPORTING PERIOD

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

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited consolidated financial statements and reclassified and restated as appropriate, is set out below:

RESULTS

	Year ended 31 March				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover	**205,664**	187,657	190,278	213,256	207,293
(Loss)/Profit before taxation	**(76,797)**	(68,694)	7,383	(38,895)	(64,021)
Income tax credit/(expense)	**–**	–	6	–	(16)
(Loss)/Profit before non-controlling interests	**(76,797)**	(68,694)	7,389	(38,895)	(64,037)
Non-controlling interests	**–**	–	–	–	(2,624)
(Loss)/Profit attributable to the owners of the Company	**(76,797)**	(68,694)	7,389	(38,895)	(66,661)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 March				
	2024	2023	2022	2021	2020
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total assets	**660,924**	790,015	882,051	825,529	755,119
Total liabilities	**(326,356)**	(378,883)	(402,225)	(355,208)	(255,885)
Non-controlling interests	**–**	–	–	–	–
	334,568	411,132	479,826	470,321	499,234

DETAILS OF INVESTMENT PROPERTY

Property	Lot no./ location	Category of lease	Use
House 4, Customs Pass No. 18 Fei Ngo Shan Road Sai Kung, New Territories Hong Kong	31 In D.D. 228	Medium term	Investment

大凌集團有限公司
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