帝國金融
集團有限公司

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IMPERIUM FINANCIAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability) | Stock Code: 8029

Annual Report 2024

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a high investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this report is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Cheng Ting Kong *(Chairman)*
Cheng Mei Ching
Lui Man Wah *(resigned on 29 September 2023)*
Chim Tak Lai

Independent Non-Executive Directors

Chan Tin Lup, Trevor
Tou Kin Chuen
Hong Haiji

AUDIT COMMITTEE

Tou Kin Chuen *(Chairman)*
Chan Tin Lup, Trevor
Hong Haiji

REMUNERATION COMMITTEE

Chan Tin Lup, Trevor *(Chairman)*
Tou Kin Chuen
Hong Haiji

NOMINATION COMMITTEE

Tou Kin Chuen *(Chairman)*
Chan Tin Lup, Trevor
Hong Haiji

COMPANY SECRETARY

Yeung Man Wah

COMPLIANCE OFFICER

Cheng Mei Ching

AUTHORIZED REPRESENTATIVES

Cheng Ting Kong
Cheng Mei Ching

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 03, 26/F
One Harbour Square
No. 181 Hoi Bun Road
Kwun Tong
Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited
31/F., Gloucester Tower, The Landmark
11 Pedder Street, Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND OFFICE

Suntera (Cayman) Limited
Suite 3204, Unit 2A, Block 3,
Building D, P.O. Box 1586,
Gardenia Court, Camana Bay,
Grand Cayman, KY1-1100,
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Bank of Communications (Hong Kong) Limited
Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

STOCK CODE

8029

WEBSITE

www.8029.hk

Financial Highlights

- The Company and its subsidiaries (the "**Group**") recorded a revenue of approximately HK$31,354,000 for the year ended 31 March 2024.

- Gross profit was approximately HK$10,776,000 for the year ended 31 March 2024.

- Loss attributable to owners of the Company was approximately HK$13,597,000, for the year ended 31 March 2024.

- No final dividend was proposed by the directors of the Company (the "**Director**") for the year ended 31 March 2024.

- As at 31 March 2024, the Group had bank balances and cash amounting to approximately HK$47,600,000.

Chairman's Statement

For the year ended 31 March 2024, the Group recorded a revenue of approximately HK$31,354,000 which was increased by 3.57% compared to the revenue of approximately HK$30,273,000 in the last financial year. The loss attributable to owners of the Company has been decreased from approximately HK$117,622,000 recorded in the year ended 31 March 2023 to a loss of approximately HK$13,597,000 for the year ended 31 March 2024.

During the year, the price of Bitcoin had been recovered and the Group has been benefited from it. We are confidence on its long-term development.

The Group is committed to bear its social responsibility and contribute to the weak and poor. The employees of the Group have actively participated in various charity activities involving cultural education, disaster relief, environmental protection, health and hygiene. The Group will continue to promote our corporate culture of dedicating sincerity and love to the community internally and bear our related social responsibility.

Finally, on behalf of the Directors of the Group, I would like to express our sincere appreciation to the management and staff of the company for their dedication and hard work throughout the year as well as to shareholders and business partners for their commitment and continuous support.

Cheng Ting Kong
Chairman

Hong Kong, 31 July 2024

Management Discussion and Analysis

REVIEW OF FINANCIAL PERFORMANCE

Revenue

The Group recorded revenue of approximately HK$31,354,000 for the year ended 31 March 2024, an increase of 3.57% when compared to the corresponding period in the last fiscal year. Revenue generated from financial services and equine services has decreased by approximately HK$8,403,000 and HK$2,561,000 respectively while revenue generated from cryptocurrency business has increased by approximately HK$12,074,000 for the year ended 31 March 2024. While the performance of properties investment are stable.

Direct Costs and Gross Profit

Our direct costs mainly comprise of direct operation fee and charges of securities brokerage and cost of cryptocurrency sold. The direct costs increased by approximately HK$8,112,000 to approximately HK$20,578,000 for the year ended 31 March 2024. The increase is mainly due to the cost of cryptocurrency sold during the period.

Other operating income

Other operating income decreased from approximately HK$1,894,000 for year ended 31 March 2023 to approximately HK$1,017,000 for year ended 31 March 2024. As there was a Covid related government grant of HK$1,027,000 in the last fiscal year.

Other gains and losses

The Group recorded other losses of approximately HK$70,381,000 for the year ended 31 March 2023 and other gains of approximately HK$8,614,000 for the year ended 31 March 2024. During the year there was a gain of disposal of property, plant and equipment of approximately HK$8,150,000 and insurance compensation on biological asset of approximately HK$10,294,000.

Administrative Expenses

Administrative expenses made a decrease of approximately HK$17,879,000 to approximately HK$27,260,000 for the year ended 31 March 2024, compared to approximately HK$45,139,000 for the year ended 31 March 2023. The decrease was mainly due to the improvement of internal control and the decrease of depreciation expenses.

Loss for the Year

The Group recorded a loss of approximately HK$13,597,000 for the year ended 31 March 2024, representing a decrease of approximately HK$104,025,000 as compared with the loss of approximately HK$117,622,000 for the year ended 31 March 2023, which is mainly due to (i) the insurance claim under other operating income and (ii) the dramatic drop of impairment loss in respect of cryptocurrency during the period.

GEARING RATIO

The gearing ratio, is calculated as borrowings divided by total equity, was n/a (2023: n/a).

CAPITAL STRUCTURE

As at 31 March 2024, the total number of issued ordinary shares of the Company was 2,334,016,218 shares (2023: 2,284,254,768 shares).

EMPLOYEE INFORMATION

The total number of employees was 31 as at 31 March 2024 (2023: 31), and the total remuneration for the year ended 31 March 2024 was approximately HK$14,179,000 (2023: HK$18,339,000). The Group's remuneration policy for senior executives is basically performance-linked. Staff benefits, including medical coverage and mandatory provident fund, are also provided to employees where appropriate. Discretionary bonus is linked to performance of the individual on case by case basis. The Group may offer share options to reward employees who make significant contributions, in order to retain key and crucial staff. The remuneration policy of the Group is reviewed and approved by the Remuneration Committee as well as by the Board.

FOREIGN EXCHANGE EXPOSURE

The income and expenditure of the Group are denominated in Hong Kong Dollar, United States Dollar, Renminbi, Kazakhstan Tenge and Australian Dollar. The Company has not entered into any foreign exchange hedging arrangement. The management is required to monitor the Group's foreign exchange exposure by closely monitoring the movement of foreign currency rates. The Group may use financial tools such as foreign exchange forward contracts, dual currency options etc. to manage the foreign exchange risks.

REVENUE

Revenue represents the net amounts in respect of equine services income, securities and future brokerage commission, asset management fee income, loan interest income, rental income from operating leases and disposal of cryptocurrency assets sales recognised by the Group during the year.

DIVIDEND

No final dividend was proposed by the Directors for the year ended 31 March 2024 (2023: HK$Nil).

Management Discussion and Analysis

BUSINESS REVIEW

Equine services

Following the aging of stallions of the group, it is estimated that the revenue from this segment will decline in the coming financial years. The group does not any intention to further invest in this segment.

Properties investment

It presents the rental income from investment properties in Australia to an independent third party to the Group. The leases run for a period of five years from 31 March 2021 and do not contain the unilateral rights to extend the lease at the end of the leases.

Financial services

Following fluctuation of capital, interest rate and stock market, the lack of fund-raising activities and low transaction on stock market in Hong Kong, the board was prudent on the financial services segment, especially the money lending business, to avoid any potential risks to the Group. As a result, the revenue and profit from the financial services decreased as compared from the corresponding period in the previous fiscal year. The management of the Group would review and adjust business strategies on a regular basis with a prudent and balanced risk management approach to cope with the current unpredictable economic situation.

Money lending business of the group

There are two wholly-owned subsidiaries under the Group which operate the money lending segment: (i) Imperium International Credit Limited; and (ii) Imperium Financial Limited.

There are two main categories of target clients, namely, (i) small loans (the "**Small Loans**") to individual clients with focus on domestic helpers with loan amount smaller than HK$50,000; and (ii) large loans (the "**Large Loans**") to individual and corporate clients without specific target client group with loan amount usually larger than HK$1,000,000. Clients are referred by third parties, directors and existing clients. The money lending segment of the Group are financed by loan from the Company and/or its subsidiaries and retained profit.

As at 31 March 2024, before taking into account the allowance for credit losses that has been recognised for loan receivables, the outstanding principal amount in relation to the loans receivable of the Group amounted to approximately HK$14.7 million (2023: HK$14.7 million), among which (i) approximately HK$14.3 million (2023: HK$14.3 million) is the outstanding principal amount in relation to 1 (2023: 1) secured Large Loans; and (ii) approximately HK$0.4 million (2023: HK$0.4 million) is the outstanding principal amount in relation to 30 (2023: 56) unsecured Small Loans.

Among the outstanding principal amount in relation to 1 secured Large Loans of approximately HK$14.7 million as at 31 March 2024, approximately HK$14.7 million (representing approximately 100% of the total outstanding principal amount owed to the Group) is the outstanding principal amount owed to the Group by the Borrower A, which is secured by share charges, interest bearing at 24% per annual and repayable by monthly installment, until 18 January 2024.

Based on the relevant audited accounts available before the advancement of the loan, the net assets value (without taking into account of deferred income tax assets) attributable to the shares under the share charge was approximately HK$8.3 million. The loan was advanced to a borrower, which has been a client of the Group since 2012, (the "**Borrower A**") in 2019 to settle the existing loan owed by the Borrower A to the Group having regard to the value of the security, the satisfactory past repayment record of the Borrower and the reputation of the Borrower.

Among the outstanding principal amount in relation to 30 (2023: 56) unsecured Small Loans of approximately HK$0.4 million (2023: HK$0.4 million) as at 31 March 2023, each of them is unsecured and interest bearing in the range of 42% to 48% (2023: 42% to 48%).

The Group recorded (i) interest income from loans receivable in relation to the secured loan of approximately HK$0.8 million (2023: HK$2 million) for the year ended 31 March 2024; and (ii) interest income from loans receivable in relation to the unsecured loan of approximately HK$0.2 million (2023: HK$0.3 million) for the year ended 31 March 2024.

During the preparation of the consolidated financial statements of the Group for the year ended 31 March 2024, the Directors have engaged an independent qualified valuer to determine the expected credit losses on the loans receivable. During assessing the expected credit loss, including but not limited to the following factors are considered by the Company: (i) credit rating of borrower; (ii) default risk having considered that the Borrower A has defaulted in repayment since October 2021; (iii) forward-looking adjustment; (iv) publications and research reports regarding the macro economy outlook; and (v) Bloomberg, the Stock Exchange and other reliable sources of market data.

Credit management

Regarding credit management, the Company will arrange for reminder calls and reminder letters and conduct visits to follow up on the customers' payments. Legal demand letters or deployment to external collection agencies will be arranged if the customer cannot be contacted or if their repayment is overdue for more than 60 days. If a customer has financial difficulties in meeting the minimum monthly repayment, the Company may enter into a restructuring arrangement with the customer to reduce their debt burden, depending on the circumstances.

The Group sent payment reminder to Borrower A before maturity date of each installment and further payment reminders were sent following the one month overdue. The Group also sent legal demand letter to Borrower A.

CRYPTOCURRENCY MINING

Since Bitcoin was launched in January 2009, it was the very first cryptocurrency created by blockchain technology and is now the most valuable and well known. Bitcoin runs on a decentralized computer network or distributed ledger that tracks transactions in the cryptocurrency. When computers on the network verify and process transactions, new bitcoins are created, or mined. These networked computers, or miners, process the transaction in exchange for a payment in Bitcoin. Validating transaction information and maintaining the integrity of the blockchain is mining's purpose, while the bitcoin reward is the incentive to mine. Bitcoin mining is necessary to maintain the ledger of transactions upon which Bitcoin is based.

Management Discussion and Analysis

The market price per Bitcoin has increased from approximately US$0.001 in 2009 to the peak of approximately US$73,700 in March 2024. The total market capitalization of Bitcoin is over US$1.23 Trillion, more than 50% of total cryptocurrencies market capitalization among approximately 14,800 different cryptocurrencies.

The Group started its Bitcoin mining business in April 2021. Although there was a downturn in the cryptocurrency market in 2022, the market price of Bitcoin dropped to approximately US$16,400 in November 2022. Following the approval of spot Bitcoin ETF in the market, there is a strong rebound of the performance of Bitcoin price since November 2022. The Group is confident with the future development of Bitcoin mining and will seek further development by adopting flexible approach. In addition, the Group ceased the cryptocurrency mining activities in Kazakhstan in March 2024. Details of this business update was set out in the Company's announcements dated 28 March 2024.

FINANCIAL REVIEW

Liquidity, Financial Resources and Capital Structure

As at 31 March 2024, the Group had current assets of approximately HK$105,267,000 (2023: HK$140,728,000). The Group's current ratio, calculated on the basis of current assets over current liabilities of approximately HK$185,917,000 (2023: HK$93,988,000) was at level of approximately 0.57:1 (2023: 1.50:1). The bank balances as at 31 March 2024 was approximately HK$47,600,000 as compared to the balance of approximately HK$66,249,000 as at 31 March 2023.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirements. The main component of current liabilities is the Promissory notes. The Group will continue negotiations of its when they fall due and seek alternative debt and/or equity financing to meet cash flow requirements.

Results Analysis

During the financial year ended 31 March 2024, we continued our business on different categories such as development of financial services businesses including securities, assets management and money lending services, stallion breeding service, operating leases and cryptocurrency business.

Operation

Stable revenue will be expected from equine services, financial services, operating leases and cryptocurrency sales for the coming year as the Group will continue to take every effort on expanding potential market shares for the existing businesses.

The finance costs

The Group recorded finance costs of approximately HK$17,221,000 (2023: HK$15,366,000) for the year ended 31 March 2024, representing an increase of 12.07% compared to that in the last financial year. The finance costs was mainly for effective interest expense on promissory notes.

Loss attributable to owners of the Company

For the current financial year, the Group recorded a loss attributable to owners of the Company of approximately HK$13,597,000 (2023: HK$117,622,000).

Prospects

Given the relaxation of the COVID-19 measures in China and Hong Kong, the reopening of the borders of China and Hong Kong, the expected end of the massive interest rate hikes and the recovery of the market sentiment in the stock market in Hong Kong in 2023, trading volume of the Hong Kong stock market and the number of IPOs will improve and the Securities Business will recover together with the market. The Group will adopt a more proactive approach and build on its ability to provide high quality services in the securities market to both individual and corporate clients for its Securities Business.

Furthermore, the Group was previously engaged in the investment immigration business until the suspension of the investment immigration scheme in January 2015. As announced by the Financial Secretary of the Hong Kong government in the 2023-2024 Budget, a new Capital Investment Entrant Scheme will be introduced. With the borders opening up across the world and the prevalence of investment immigration, the Group intends to resume its operations in this market and will leverage on its previous experience in order to diversify its income stream. This will allow the Group to widen its financial services business into advising potential clients on investment immigration schemes and broaden its customer base.

The Group would continue to use its best endeavor to improve the efficiency and effectiveness of the operation. Moreover, the Board would seek opportunities to establish strategic alliance to accelerate the growth of its businesses, to rebalance its business portfolio and to strengthen its financial position so as to create value for shareholders.

RISK FACTORS

Country Risk

The equine services business is mainly operated in Australia. Being one of the emerging markets, Australia's equine services definitely provide many potential opportunities to investors dedicating to equine industry. In the meantime, the uncertainties of their political, social and economic policies are considered to be relatively small. There is no assurance that the current favorable policies remain unchanged in the near future. The future changes at the country level probably may have adverse effect to our business.

The cryptocurrency business is currently operated in Brunei and the United States of America. Given the cryptocurrency and energy market is changing rapidly, the board will closely monitor the cryptocurrency business operation.

Uncertainty on Volatility of Stock Market

Global stock market is still facing with various uncertainties of different political and economic circumstances. The expected return on the services of the securities trading and assets management will be greatly influenced by the volatility of the stock market which tends to be highly unpredictable.

Uncertainty on Volatility of cryptocurrency asset value

The group has entered the cryptocurrency business. However, the volatility of cryptocurrency asset value is huge and dominant by the market.

ADDITIONAL INFORMATION ON AUDITORS' DISCLAIMER OF OPINION AND THE COMPANY'S VIEW AND MEASURES TO ADDRESS THE DISCLAIMER OF OPINION

The Board wishes to draw the attention of the shareholders of the Company (the "**Shareholders**") to the section headed "Basis for Disclaimer of Opinion" as contained in the Independent Auditors' Report dated 28 June 2024 issued by the Company's auditors, HLB Hodgson Impey Cheng Limited (the "**Auditors**"). In respect of the basis for disclaimer of opinion as disclosed in the independent auditors' report for the year ended 31 March 2024 relating to the appropriateness of the assumption regarding the Company's ability to continue as a going concern (the "**Disclaimer Opinion**"), the Group has prepared a forecast covering a period of not less than twelve months from the end of the reporting period taking into account of a number of measures undertaking to improve its liquidity and financial position including but not limited to:

i. the Directors will consider other financing arrangements and fund-raising alternatives with a view to increasing the Group's capitalisation/equity and supporting the continuing growth of the Group;

ii. the Directors will continue to implement stronger measures aiming at improving the working capital and cash flows of the Group, including closely monitoring its operating expenses, improving current business performance and seeking new business development; and

iii. the Directors will continue negotiations for the extension of its promissory note.

Taking into account the successful and continued implementation of such measures, the Directors are of the opinion that the Group will have sufficient working capital and hence it is appropriate to prepare the Group's consolidated financial statements on a going concern basis.

AUDIT COMMITTEE'S VIEW ON THE DISCLAIMER OF OPINION

The audit committee of the Company (the "**Audit Committee**") had critically reviewed the basis for disclaimer of opinion of the Auditors. The Audit Committee had also discussed with the Auditors regarding the financial position of the Group, the measures are taken and to be taken by the Group, and considered the Auditors' rationale and understood their consideration in arriving at the Disclaimer Opinion. The Audit Committee is in agreement with the management with respect to the Disclaimer Opinion and the Group's ability to continue as a going concern, and in particular the actions or measures to be implemented by the Group. The Audit Committee's views are based on (i) a critical review of the action plans to address the Disclaimer Opinion, (ii) discussions between the Audit Committee, the Auditors and the management regarding the Disclaimer Opinion and the proposed measures and action plans together with the timeline stated therein to address the Disclaimer Opinion. The Audit Committee requested the management to take all necessary actions to address the effect on the Disclaimer Opinion to procure no such disclaimer of opinion to be made in the next financial year.

Outlook and Development

The Board has always tried its best to improve the efficiency and effectiveness of the operation so as to enhance the Group's value.

Looking ahead to 2024, the difficult external environment will continue to pose pressures on Hong Kong's economy in the view of (i) the unexpected delay of interest rates cut, (ii) the change in consuming pattern of Chinese tourists and (iii) the poor performance of Hong Kong property and stock market. The Group will pay close attention to the uncertainties in the economic environment, and stay alert to formulate strategies to pursue steady development and strive for generous returns to our shareholders.

During the year the Group has entered a subscription agreement (which completed on 22 April 2024) between an indirect wholly-owned subsidiary of the Group and Infinity Technology International Limited, a company incorporated in Hong Kong with limited liability. The Group to expand into new market segments and diversify its business portfolio, thereby broadening the Group's reach and income streams.

Directors and Staff

EXECUTIVE DIRECTORS

Mr. Cheng Ting Kong, aged 49, was appointed as the Chairman and Executive Director on 5 July 2013. Mr. Cheng is also the chairman and Executive Director of Imperium Technology Group Limited (Stock code: 776), a company listed on the main board of the Stock Exchange. Mr. Cheng has extensive experience in corporate management and investment. Prior to his appointment as the Chairman and the Executive Director, Mr. Cheng was the senior manager of the Company.

Ms. Cheng Mei Ching, aged 42, holds a bachelors degree in commerce (marketing and advertising) from Curtin University of Technology in Perth, Western Australia. Ms. Cheng has over the past adopted a pragmatic and proactive management approach; and delivered solid performance in various areas, in particular corporate management and internal control.

Mr. Chim Tak Lai, aged 41, obtained a Bachelor of Art degree of in Business Economics from the University of Hertfordshire in 2006. Mr. Chim joined the Group as senior accountant in March 2016. Since September 2020, Mr. Chim is the financial controller of the Group and his primary responsibilities is to oversee all financial accounting operations, including group reporting, budgeting, audit, treasury function, consolidation and financial reporting.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tou Kin Chuen, aged 47, is the Independent Non-executive Director of the Company and Suncity Group Holdings Limited (Stock code: 1383), is the principal of Roger K.C. Tou & Co., Mr. Tou graduated from the Hong Kong Shue Yan University with a Honours Diploma in Accounting in 2001. He is experienced in audit, taxation, company secretarial, insolvency and finance for over 20 years. Mr. Tou is a member of the Hong Kong Institute of Certified Public Accountants and an associate of the Taxation Institute of Hong Kong.

Mr. Chan Tin Lup, Trevor, aged 64, has been in the legal field for over 26 years. He received his law degree from the University of London and his Postgraduate Diploma in Legal Practice from the University of Wolverhampton with commendation. Mr. Chan has been an Independent Non-executive Director of National Arts Group Holdings Limited (Stock Code: 8228), a company registered in Bermuda and the shares of which are listed on the GEM of The Stock Exchange of Hong Kong Limited, from 13 May 2009 to 1 July 2018.

Mr. Hong Haiji, aged 29, obtained a bachelor of science degree in management from Bayes Business School (formerly known as Cass Business School), City, University of London in the United Kingdom in July 2018 and a masters of science degree in finance from the University of Edinburgh in Scotland in November 2019. Prior to joining the Group, Mr. Hong worked as an operation specialist at Saiqun Network Technology Co., Ltd. from February 2020 to December 2020 and Boge Network Technology Co., Ltd. from January 2021 to December 2022, respectively.

Directors' Report

The Directors would like to present the annual report and the audited financial statements of the Company and its subsidiaries for the year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities and other details of its subsidiaries are set out in note 45 to the consolidated financial statements.

Detail of the analysis of the Group's performance for the year by operating segments are set out in note 8 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The financial performance of the Group for the year ended 31 March 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 44.

The financial position of the Group and the Company as at 31 March 2024 is set out in the consolidated statement of financial position on pages 45 to 46 of this annual report and the Company statement of financial position in note 44 to the consolidated financial statement respectively.

No final dividends was proposed by the Directors for the reporting year (2023: Nil).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 148.

BUSINESS REVIEW

The business review of the Group for the year ended 31 March 2024 are provided in the Chairman's Statements, Management discussion and analysis of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group are set out in note 19 to the consolidated financial statements.

DONATIONS

No charitable and other donations were made by the Group during the year (2023: Nil).

SHARE CAPITAL

Details of the authorised and issued share capital of the Company are set out in note 37 respectively to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 47 and in note 44 to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution comprise share premium, capital reserves and accumulated losses. No reserve of the Company is available for distribution to shareholders as at 31 March 2024 (2023: HK$Nil).

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Mr. Cheng Ting Kong *(Chairman)*
Ms. Cheng Mei Ching
Mr. Lui Man Wah *(resigned on 29 September 2023)*
Mr. Chim Tak Lai

Independent non-executive directors:

Mr. Chan Tin Lup, Trevor
Mr. Tou Kin Chuen
Mr. Hong Haiji

The biographical details of current Directors are set out on pages 14 to 15 of this annual report.

In accordance with Article 108 of the Company's Article of Association, Mr. Chan Tin Lup, Trevor and Mr. Tou Kin Chuen will retire by rotation. All of these retiring directors, being eligible, offer themselves for reelection.

Each executive director has entered into a service contract with the Company with effect from the date of appointment and will continue thereafter unless and until terminated by either party by giving not less than one-month prior written notice to the other.

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

As at 31 March 2024, the interests and short positions of the Directors and Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (the "**SFO**")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as required, pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in the shares of the Company

Ordinary share of HK$0.04 each of the Company

Name of Director	Nature of interests	Number of ordinary shares held	Capacity	Percentage of issued shares
Mr. Cheng Ting Kong	Corporate *(Note)*	1,437,914,040	Interest of a controlled corporation	61.61%

Note: These ordinary shares are held by Fresh Success Investments Limited. Fresh Success Investments Limited is beneficially owned as to 90% by Mr. Cheng Ting Kong.

During the year ended 31 March 2024, the Company grant no new share option for the Directors or their respective associates to subscribe for shares of the Company and had not been exercised such rights.

Save as disclosed above, during the year ended 31 March 2024, none of the Directors or Chief Executive of the Company has any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.66 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the section headed "Material Related Party Transactions and Continuing Connected Transactions" in this report and in note 41 to the consolidated financial statements, no other contracts of significance to which the Company, its holding companies or any of its subsidiaries was a party and in which a director of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

RELATED PARTY TRANSACTIONS, CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the related party transactions undertaken by the Group are set out in note 41 to the consolidated financial statements. Those related party transactions which constitute connected transactions/ continuing connected transactions under the GEM Listing Rules are set out in the paragraph headed "CONNECTED TRANSACTIONS/CONTINUING CONNECTED TRANSACTIONS" below. These continuing connected transactions have complied with the requirements under Chapter 20 of the GEM Listing Rules.

CONNECTED TRANSACTIONS/ CONTINUING CONNECTED TRANSACTIONS

During the Year, the Group conducted the following continuing connected transactions which are subject to the reporting, announcement, annual review and/or independent shareholders' approval requirements under the GEM listing Rules:

2023 Mr. Cheng Master Service Agreement *(Note 1)*

Transaction Date: 1 April 2023

Term: 1 April 2023 to 31 March 2025

Parties: Imperium International Securities Limited ("**IISL**"), an indirect wholly-owned subsidiary of the Company and Mr. Cheng Ting Kong ("**Mr. Cheng**"), the chairman, an executive Director and a controlling shareholder of the Group, and his associates.

Description: IISL as service provider and Mr. Cheng as customer entered into the Master Service Agreement in relation to the provision of the Brokerage Service

Annual Caps:

	For the financial year ended 31 March	
	2024	**2025**
	HK$'000	*HK$'000*
Brokerage commission *(Note 2)*	500	500

Notes:

1. *The 2023 Mr. Cheng Master Service Agreement superseded the Existing Mr. Cheng Master Service Agreement dated 15 December 2020. As all of the applicable percentage ratio(s) for the Existing Mr. Cheng Master Service Agreement was less than 5% and all the annual caps under the Existing Mr. Cheng Master Service Agreement was less than HK$1,000,000, the Existing Mr. Cheng Master Service Agreement and the transactions contemplated thereunder was fully exempt from reporting, annual review, announcement, circular, independent financial advice and independent shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules.*

2. *Brokerage commission Annual Cap is the Brokerage commission to be received from the provision of Brokerage Service to the connected party for each financial year.*

2023 Mr. Lui Master Service Agreement *(Note 1)*

Transaction Date:	1 April 2023
Term:	1 April 2023 to 31 March 2024
Parties:	Imperium International Securities Limited ("**IISL**"), an indirect wholly-owned subsidiary of the Company and Mr. Lui Man Wah ("**Mr. Lui**"), a former Executive Director of the Group.
Description:	IISL as service provider and Mr. Lui as customer entered into the Mr. Lui Master Service Agreement in relation to the provision of the Brokerage Service

Mr. Lui Annual Caps:

	For the financial year ended 31 March	
	2024	**2025**
	HK$'000	*HK$'000*
Brokerage commission *(Note 2)*	500	500

Notes:

1. *The 2023 Mr. Lui Master Service Agreement superseded the Existing Mr. Lui Master Service Agreement dated 10 March 2021. As all of the applicable percentage ratio(s) for the Existing Mr. Lui Master Service Agreement was less than 5% and all the annual caps under the Existing Mr. Lui Master Service Agreement was less than HK$1,000,000, the Existing Mr. Lui Master Service Agreement and the transactions contemplated thereunder was fully exempt from reporting, annual review, announcement, circular, independent financial advice and independent shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules.*

2. *Brokerage commission Annual Cap is the Brokerage commission to be received from the provision of Brokerage Service to the connected party for each financial year.*

GEM Listing Rule implications

As all of the applicable percentage ratio(s) for (i) 2023 Mr. Cheng Master Service Agreement and (ii) 2023 Mr. Lui Master Service Agreement is less than 5% and Annual Caps is less than HK$1,000,000, the 2 Master service agreements and the transactions is exempt from reporting, announcement, annual review, circular, independent financial advice and independent shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules.

Auditors' letter on continuing connected transactions

The Company's auditors were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Company's auditors have issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group on note 41 of this report in accordance with Rule 20.54 of the GEM Listing Rules.

Confirmation of independent non-executive Directors

The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that these transactions have been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to independent third parties (as defined under the GEM Listing Rules); and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as is known to any Directors or Chief Executives of the Company, as at 31 March 2024, the following person or corporations had equity interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of Part XV of the SFO and/ or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company:

Long positions in the shares of the Company

Ordinary share of HK$0.04 each of the Company

Name of Shareholders	Nature of interests	Number of ordinary shares held	Capacity	Percentage of issued shares
Fresh Success Investments Limited *(Note 1)*	Corporate	1,437,914,040	Beneficial owner	61.61%
Cheng Ting Kong *(Note 1)*	Corporate	1,437,914,040	Interest of a controlled corporation	61.61%
Raywell Holdings Limited *(Note 2)*	Corporate	135,430,000	Beneficial owner	5.80%
Yeung Hak Kan *(Note 2)*	Corporate	135,430,000	Interest of a controlled corporation	5.80%

Notes:

1. *Fresh Success Investments Limited is beneficially owned as to 90% by Mr. Cheng Ting Kong. Accordingly, Mr. Cheng Ting Kong is deemed under the SFO to be interested in the 1,437,914,040 shares beneficial owned by Fresh Success Investments Limited.*

2. *Raywell Holdings Limited is wholly and beneficially owned by Mr. Yeung Hak Kan. Accordingly, Mr. Yeung Hak Kan is deemed under the SFO to be interested in the 135,430,000 shares beneficially owned by Raywell Holdings Limited.*

Save as disclosed above, as at 31 March 2024, the Company was not notified of any other relevant interests or short positions in the shares or underlying shares in the Company as recorded in the register required to be kept by the Company under section 336 of Part XV of the SFO.

MANAGEMENT SHAREHOLDERS

Save for the directors, management shareholders and substantial shareholders as herein disclosed, the directors are not aware of any persons who as at 31 March 2024 were entitled to exercise or control the exercise of 5% or more of the voting power at general meetings of the Company and who were able, as a practical matter, to direct or influence the management of the Company.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Mr. Cheng Tin Kong is the executive director of the Group and also is the director of Imperium Credit Limited ("**ICC**"), a private company incorporate in Hong Kong and is a licensed money lender engaged in money lending business. ICC competes or may compete, either directly or indirectly, with the business of the Group.

The Board considers that, having considered the facts that:

(i) the Group is capable of, and does carry on its business independently of, and on an arm's length basis with the competing business of the ICC;

(ii) the Company has established corporate governance procedures to ensure business opportunities and performance are independently assessed and reviewed from time to time;

(iii) Mr. Cheng Tin Kong is fully aware of his fiduciary duty to the Group, and will abstain from voting on any matter where there is or may be a conflict of interest; and

(iv) The group have the first right of refusal in accepting or rejecting to provide services to the client, and Mr. Cheng Tin Kong only refer new clients to ICC after the group decide not to proceed with such client.

Since (i) all the major and important corporate actions of the Company are and will be fully deliberated and determined by the Board; and (ii) any director(s) who is/are or deemed to be interested in any proposed transaction(s) will have his/their interest fully disclosed and will abstain from voting at the relevant resolution(s) in accordance with the applicable requirements of the New Bye-laws of the Company, the Board is of the view that each of the Relevant Directors does not, by himself/herself or in an individual capacity, competes with the Company and/or the business of the Group. The Group's interest is adequately safeguarded.

COMPETITION AND CONFLICT OF INTERESTS

Except of the above, as at 31 March 2024, none of the directors, the management shareholders (as defined in the GEM Listing Rules) or the substantial shareholders of the Company, or any of their respective associates, has engaged in any business that competes or may compete with the businesses of the Group or has any other conflict of interests with the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and neither the directors nor the Chief Executive, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right.

The Company will comply with the disclosure requirements under Chapter 23 of the GEM Listing Rules, including without limitation disclosures in the annual and interim reports of the Company including details of the options granted to the following persons: (i) each of the connected person; (ii) each participant with options granted in excess of the limit; (iii) aggregate figures for the employees; (iv) aggregate figures for supplier of goods or services; and (v) all other participants as an aggregate whole.

EQUITY-LINKED AGREEMENTS

Save for the share option scheme of the Company as disclosed in this section headed “Share Option Scheme”, no equity-linked agreements were entered into by the Group, or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, the services provided to the Group's largest client and five largest clients accounted for 6% and 17%, respectively of the total turnover for the year. The Group's largest supplier and five largest suppliers accounted for 22% and 57% purchases of the Group for the year ended 31 March 2024.

None of the Directors, their close associates or any shareholders, which to the knowledge of the Directors owned more than 5% of the Company's issued share capital, had a beneficial interest in any of the Group's five largest supplier and customers.

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

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

BOARD PRACTICES AND PROCEDURES

The Company has complied with Rules 5.34 to 5.45 of the GEM Listing Rules concerning board practices and procedures throughout the year ended 31 March 2024.

PRE-EMPTIVE RIGHTS

There is no provisions for pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 March 2024.

EMOLUMENT POLICY

The Group's emolument policy for senior executives is basically performance-linked. Staff benefits, including medical coverage and mandatory provident funds are also provided to employees where appropriate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

PERMITTED INDEMNITY PROVISION

The Articles provides that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Group has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for legal actions brought against the Directors and directors of the subsidiaries of the Group. The level of the coverage is reviewed annually.

EVENTS AFTER REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 48 to the consolidated financial statements.

AUDITORS

HLB Hodgson Impey Cheng Limited was appointed as auditor of the Company on 27 August 2018 following the resignation of Andes Glacier CPA Limited on 27 August 2018. Apart from this, there was no change in auditors of the Company in any of the preceding three years.

HLB Hodgson Impey Cheng Limited will retire as the Company's auditors at the end of the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for re-appointment.

A resolution will be submitted to the annual general meeting of the Company to re-appoint HLB Hodgson Impey Cheng Limited, as auditor of the Company.

On behalf of the Board

Cheng Ting Kong
Chairman

Hong Kong, 28 June 2024

CORPORATE GOVERNANCE PRACTICES

The Group is committed to promoting high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding the shareholders' interests and the Group's assets.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code and Report**") in Appendix 15 of the GEM Listing Rules. Throughout the year ended 31 March 2024 and up to the date of this report to the best knowledge of the Board, the Company has complied with the code provisions set out in Appendix 15 of the GEM Listing Rules.

CODE OF BEST PRACTICE

The Company is committed to high standards of corporate governance for the enhancement of shareholder value. The Company believes that good corporate governance is not only in the interest of investors but also in the interest of the Company. It is also of the view that good corporate governance is a reflection of the standard and quality of the management and operations of the Company and it also helps sustain the long term support of shareholders upon which the Company's success depends.

The Company closely monitors corporate governance development in Hong Kong and it regularly reviews its corporate governance practices in light of experience and evolving regulatory requirements to ensure that the Company keeps abreast of shareholders' expectations. The principles of corporate governance adopted by the Company emphasize a quality board, sound internal control, and transparency and accountability to shareholders.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") in Appendix 15 of the GEM Listing Rules, save for the deviations discussed below:

Pursuant to E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company. Mr. Cheng Ting Kong (the chairman of the Board) was unable to attend the 2023 AGM due to unexpected engagement. Mr. Chim Tak Lai (an executive Director of the Company) was appointed as the chairman of the 2023 AGM in replying to questions raised by shareholders at the 2023 AGM.

The Group will keep on reviewing its corporate governance standards on a timely basis and the Board endeavours to take all necessary actions to ensure the compliance with the Code Provisions set out in the CG Code.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings ("**Code of Conduct**") set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company.

BOARD OF DIRECTORS

Composition of the Board

As at 31 March 2024, the Board comprised six Directors, including the Chairman, two Executive Directors and three Independent Non-executive Directors. One of the Independent Non-executive Directors has appropriate professional qualifications in accounting. Biographical details of the Directors are set out on pages 14 and 15.

The updated list of Directors and their role and function are published at the Stock Exchange website and the Company's website (www.8029.hk).

Independent Non-executive Directors

In compliance with Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules, the Company has appointed three Independent Non-executive Directors representing more than one-third of the Board, and with at least one of them possessing the appropriate professional qualifications or accounting or related financial management expertise. The Independent Non-executive Directors, together with the Executive Directors, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards. The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence and considers that their independence is in compliance the Rule 5.09 of the GEM Listing Rules.

The Board

The Board has the responsibility for leadership and control of the Group. They are collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board is accountable to shareholders for the strategic development of the Group with the goal of maximizing long term shareholder value, while balancing broader stakeholder interests. The Board has delegated the day-to day responsibility to the Executive Directors and senior management of the Company who meet on a regular basis to review the financial results and performance of the Group and make financial and operational decisions for the implementation of strategies and plans approved by the Board. The Board also communicates with shareholders and regulatory bodies and makes recommendations to shareholders on final dividends and the declaration of any interim dividend.

Board Meetings and Attendance

The Board meets regularly, and at least 4 times a year, either in person or through other electronic means of communication to determine overall strategic direction, objectives and development of the businesses of the Group, approve quarterly, interim and annual results, and other significant matters Notice of at least 14 days is given to all Directors for a regular Board meeting.

Apart from the regular Board meetings of the year, the Board also meets on other occasions when a Board-level decision on a particular matter is required. For such, reasonable notice is generally given. All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, senior management and the Compliance Officer who are responsible for ensuring the compliance of the Company with the GEM Listing Rules and advising the Board on compliance matters. Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors. Any Directors and their associates who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed in the Board meetings shall abstain from voting on the relevant resolutions and are not to be counted in the quorum at meetings.

At least 3 days (or such other period as agreed in advance) before each Board meeting, a draft agenda is sent out to all Directors in order to allow the Directors to include any other matters in the agenda that are required for discussion and resolution in the meeting. To enable the Directors to make informed decisions, Board papers together with all appropriate and relevant information in relation to the matters of the meeting are sent to all Directors 3 days or such other period as agreed before each Board meeting such that the Directors have sufficient time to review the related documents and be adequately prepared for the meeting.

The Company Secretary is responsible to keep minutes of all Board meetings and committees meetings. Draft minutes are normally circulated to all Directors for comments within a reasonable time after each meeting and the final versions are open for Directors' inspection.

The Board held 11 meetings during the year ended 31 March 2024. Details of attendance of individual Directors at Board Meetings are presented below:

	Attended/ Eligible to attend
Chairman	
Mr. Cheng Ting Kong	10/11
Executive Directors	
Ms. Cheng Mei Ching	11/11
Mr. Lui Man Wah (resigned on 29 December 2023)	11/11
Mr. Chim Tak Lai	10/11
Independent non-executive Directors	
Mr. Tou Kin Chuen	10/11
Mr. Chan Tin Lup, Trevor	9/11
Mr. Hong Haiji	8/11

Relationships between the Board

Save that one of the executive Directors, Ms. Cheng Mei Ching, is the sister of Mr. Cheng Ting Kong, the chairman and an executive Director of the Company as well, there was no direct or indirect financial, business, family or other material relationship among the Directors and with the Company and the Board follows the requirements set out in the GEM Listing Rules.

Directors' Continuing Professional Development Programme

Each Director receives comprehensive and formal induction and orientation to ensure he/she adequately understand the operations and business of the Group. The Company also provided detailed director's responsibilities and obligations statement pursuant to the GEM Listing Rules for the Director to review and study. In addition, materials in relation to regularly update on latest development in relation to the GEM Listing Rules, other applicable regulatory requirements and the Group's business and governance policies (the "**Reading Materials in relation to Continuous Professional Developments**") were circulated to the Directors. Continuing briefings and seminars for the Directors will be arranged as necessary. The Directors are encouraged to participate in continuous professional developments to develop and refresh their knowledge and skills periodically.

During the year ended 31 March 2024 the Directors participated in the continuous professional developments in the following manner:

Name	Reading Materials/ Attending seminars/ courses/conferences in relation to Continuous Professional Developments
Executive Directors	
Mr. Cheng Ting Kong	✓
Ms. Cheng Mei Ching	✓
Mr. Lui Man Wah (resigned on 29 December 2023)	
Mr. Chim Tak Lai	✓
Independent non-executive Directors	
Mr. Chan Tin Lup, Trevor	✓
Mr. Tou Kin Chuen	✓
Mr. Hong Haiji	✓

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

The Board, led by the Chairman, is responsible for the formulation of Company-wide strategies and policies, including an oversight of the management. Management is responsible for the day-to-day operations of the Company under the leadership of the Chief Executive Officer.

The position of the Chairman and the Chief Executive Officer are held by separate individuals. The role of the Chairman is separated from that of the Chief Executive Officer. Such division of responsibilities helps to reinforce their independence and accountability.

Mr. Cheng Ting Kong is the Chairman of the Company.

The Chairman is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that the Board acts in the best interest of the Company. To ensure that Board meetings are planned and conducted effectively, the Chairman is primarily responsible for drawing up and approving the agenda for each Board meeting, taking into account, where appropriate, any matters proposed by other Directors for inclusion in the agenda. With the support of Executive Directors and the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. The Chairman also actively encourages Directors to be fully engaged in the Board's affairs and make contribution to the Board's functions. With the support of all other members of the Board, the Chairman procures that good corporate governance practices and procedures are established and that appropriate steps are taken to provide effective communication with shareholders.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Executive Directors

Each of Ms. Cheng Mei Ching and Mr. Chim Tak Lai being all the executive Directors, except Mr. Cheng Ting Kong, has entered into a service agreement with the Company for an initial fixed term of one year and shall continue thereafter until terminated by either party by giving two months' notice in writing to the other. For Mr. Cheng Ting Kong, he has entered into a service agreement with the Company for an initial fixed term of three years.

Each of these executive Directors is entitled to the respective director's fee. In addition, each of the executive Directors is also entitled to a discretionary bonus determined by the Board.

Independent non-executive Directors

Each of Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen, and Mr. Hong Haiji, the independent non-executive Directors has entered into a letter of service with the Company for a term of one year, provided that either the Company or the independent non-executive Directors may terminate such appointment at any time by giving at least one month's notice in writing to the other. Each of the independent non-executive Directors is entitled to a director's fee.

Upon appointment, the Directors would receive an orientation review of the Company and its business from senior executives. Information are provided to the Directors regularly to ensure that the Directors keep up with the latest changes in the commercial and regulatory environment in which the Group conducts its businesses.

In accordance with the article 108 of the Articles, one-third of the Directors are subject to retirement by rotation or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from the office and being eligible offer themselves for re-election at each annual general meeting of the Company.

BOARD COMMITTEES

The Board has established the Audit Committee (as defined below) and the Remuneration Committee (as defined below) in order to maintain high standard of corporate governance of the Company.

Audit Committee

The Company established an audit committee ("**Audit Committee**") on 29 November 2000 with written terms of reference in compliance with the GEM Listing Rules. During the year under review, the audit committee comprises three members, Mr. Tou Kin Chuen, Mr. Chan Tin Lup, Trevor and Mr. Hong Haiji. All of them are Independent Non-executive Directors of the Company and Mr. Tou Kin Chuen was appointed as the Chairman of the Audit Committee.

The primary duties of the audit committee are to review and supervise the financial reporting process, risk management system and internal control systems of the Group so as to provide advice and comments thereon to the Board of Directors. 6 audit committee meetings were held during the year.

The Group's annual results for the year ended 31 March 2024 have been reviewed by the Audit Committee, which is of the opinion that the preparation of such consolidated financial statements complies with applicable accounting standards, the GEM Listing Rules, and that adequate disclosures have been made.

Name of Member	Attended/ Eligible to attend
Mr. Tou Kin Chuen *(Chairman)*	6/6
Mr. Chan Tin Lup, Trevor	5/6
Mr. Hong Haiji	5/6

For the year ended 31 March 2024, the Audit Committee reviewed with senior management and the external auditors of the Company their respective audit findings, the accounting principles and practices adopted by the Company, legal and regulatory compliance, and internal control, risk management and financial reporting matters (including the interim and annual financial statements for the year ended 31 March 2024 before recommending them to the Board for approval). In particular, the Audit Committee monitored the integrity of financial statements of the Company and the annual report and accounts and quarterly reports and accounts of the Company, discussed with management and the external auditor, and reviewed significant financial reporting judgments contained in them. In this regard, in reviewing such reports and accounts of the Company before submission to the Board, the Audit Committee focused particularly on:

(a) any changes in financial reporting and accounting policies and practices;

(b) major judgmental areas;

(c) significant adjustments resulting from audit;

(d) the going concern assumption and any qualifications;

(e) compliance with accounting standards; and

(f) compliance with the GEM Listing Rules and any other legal requirements in relation to financial reporting.

The Audit Committee has met its responsibilities to review the audited consolidated results of the Group for the year ended 31 March 2024 and provided advice and comments thereon.

Remuneration Committee

The Company established a remuneration committee ("**Remuneration Committee**") on 18 March 2005. During the year under review, the Remuneration Committee comprised three members, Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Hong Haiji. All of them are independent non-executive Directors and Mr. Chan Tin Lup, Trevor was appointed as the Chairman of the Remuneration Committee.

The principal responsibilities of the Remuneration Committee include making recommendations to the Board on the Group's policy and structure in relation to the remuneration of the Directors and senior management and reviewing the specific remuneration packages of all executive Directors and senior management by reference to corporate goals and objectives resolved by the Board from time to time.

Name of Member	Attended/Eligible to attend
Mr. Chan Tin Lup, Trevor *(Chairman)*	2/2
Mr. Tou Kin Chuen	2/2
Mr. Hong Haiji	2/2

The remuneration of the Directors and senior management was determined with reference to the performance and profitability of the Company as well as remuneration benchmarks from other local and international companies and the prevailing market conditions. Directors and employees also participate in bonus arrangements determined in accordance with the performance of the Group and the individual's performance.

For the year ended 31 March 2024, the Remuneration Committee determined the policy for the remuneration of the executive Directors, assessed the performance of the executive Directors and approved the terms of the executive Director's services contracts. The Remuneration Committee adopted the model which is described in the code provision B.1.2 (c)(ii) of the CG Code and Report, it makes recommendations to the Board on the remuneration packages of the individual executive Directors and senior management.

Details of the Directors' emoluments for the year ended 31 March 2024 are set out in note 15 to the consolidated financial statements.

Nomination Committee

The Company established a nomination committee ("**Nomination Committee**") on 1 December 2015. During the year under review, the Nomination Committee comprises three members, Mr. Tou Kin Chuen, Mr. Chan Tin Lup, Trevor and Mr. Hong Haiji. All of them are independent non-executive Directors of the Company and Mr. Tou Kin Chuen was appointed as the Chairman of the Nomination Committee.

The Nomination Committee is responsible to make recommendation to the Board on the appointment of the Directors and the management of the Board's succession. Terms of reference of the Nomination Committee are approved by the Directors.

The principal functions of the committee include:

(i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes;

(ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

(iii) to assess the independence of independent non-executive Directors; and

(iv) to make recommendations to the Board on relevant matters relating to the appointment or reappointment of Directors and succession planning for Directors in particular the chairman and the chief executive officer.

The Nomination Committee held 1 meeting during the year ended 31 March 2024. The attendance records are presented below:

Name of Member	Attended/Eligible to attend
Mr. Tou Kin Chuen *(Chairman)*	1/1
Mr. Chan Tin Lup, Trevor	1/1
Mr. Hong Haiji	1/1

For the year ended 31 March 2024, the Nomination Committee reviewed the profile of current Directors and potential candidate of Director to ensure the appropriateness of the Board in performing their duties.

BOARD DIVERSITY POLICY

The Board has established a set of Board Diversity Policy setting out the approach to achieve diversity on the Board with the aims of enhancing Board effectiveness and corporate governance as well as achieving our business objectives and sustainable development. It endeavors to ensure that the Board has balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

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 and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing the corporate governance duties in accordance with code provision D.3.1 to the CG Code which are included to develop and review the Company policies and practices on corporate governance, to review and monitor the training and continuous professional development of the Directors and senior management of the Company, the issuer's policies and practices on compliance with legal and regulatory requirements and reviewing the issuer's compliance with the CG Code and disclosure in the Corporate Governance Report.

For the year ended 31 March 2024, the Board has performed the corporate governance duties stated in code provision D.3.1 of the CG Code.

AUDITORS AND THEIR REMUNERATION

The amount of fees charged by the Auditors generally depends on the scope and volume of the auditors' work. During the year ended 31 March 2024. The audit fees of the independent auditors for auditing the consolidated financial statements of the Group for the year ended 31 March 2024 was HK$800,000.

Directors' Acknowledgement

The Directors acknowledge their responsibility for preparing the consolidated financial statements which give a true and fair view of the financial position of the Group.

The Directors ensure the consolidated financial statements of the Group are prepared in accordance with the statutory requirements and applicable accounting standards. The Directors also ensure the publication of the consolidated financial statements of the Group is made in a timely manner. The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

Financial Reporting

The Management has provided to all Directors quarterly updates with quarterly consolidated financial statement of the Company's performance, position and prospects in sufficient details during the regular Board meetings. In addition, the Management has provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient information for matters brought before the Board. The Management will spare no effort to provide all members of the board with more detailed and promptly monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail in coming future.

Compliance with Relevant Laws and Regulations

The Group recognises the importance of compliance with regulatory requirements and the risk of noncompliance with relevant requirements could lead to adverse impact on business operation and financial position of the Group. The Board as a whole is responsible to ensure the Group is in compliance with relevant laws and regulations that have a significant impact on the Group. To the best of knowledge of the Board, the Group has complied with relevant laws and regulations during the year ended 31 March 2024.

COMPANY SECRETARY

The company secretary of the Company (the "**Company Secretary**") is Ms. Yeung Man Wah. In accordance with the Rule 5.15 of the GEM Listing Rule, she has taken no less than 15 hours of relevant professional training during the year ended 31 March 2024. Ms. Yeung Man Wah is engaged and appointed by the Company from an external secretarial service provider as its company secretary. The primary corporate contact person of the Company is Chim Tak Lai, an Executive Director.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhance investor relations. It is committed to providing clear and full information about the Company's performance to shareholders through the publication of quarterly reports and annual report. In addition to dispatching circulars, notices and financial reports to shareholders, additional information is also available to shareholders on the websites of the Group at www.8029.hk and the Stock Exchange.

The annual general meeting provides a useful forum for shareholders to raise comments and exchange views with the Board. Shareholders are encouraged to attend annual general meetings for which the Company gives at least 21 clear business days' notice. The Chairman and Directors and external auditors are available to answer questions on the Company's businesses at the meeting.

CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 17.10(2) of the GEM Listing Rules, the Company has published on the respective websites of the Stock Exchange and the Company its Memorandum and Articles of Association. During the year ended 31 March 2024, there had not been any changes in the Company's constitutional documents.

PUBLICATION OF ANNUAL REPORT ON THE STOCK EXCHANGE WEBSITE

The annual report of the Company contains all the information required by the GEM Listing Rules will be published on the Stock Exchange website in due course.

RISK MANAGEMENT AND INTERNAL CONTROL

Goals and Objectives

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness. It is acknowledged that the risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

MAIN FEATURES OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Group's risk governance structure and the main responsibilities are summarized below:

Board

- evaluates and determines the nature and extent of significant risks it is willing to take in achieving the Group's strategic objections;
- ensures the implementation of an effective risk management and internal control systems;
- oversees the management in the design, implementation and monitoring of the risk management and internal control systems; and
- ensures the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions.

Management

- assists the Board to perform its responsibilities of risk management and internal control systems and ensure such review cover all material controls, including financial, operational and compliance controls;
- designs, implements and monitors the risk management and internal control systems
- identifies and assess the major and significant risks which threaten the achievement of the strategic objectives;
- summarizes the results of the risk assessment and evaluation into risk register;
- develops the internal control audit plan and effective control activities to mitigate risks; and
- communicates and reports to the Board periodically.

Legal and Compliance Department

- performs ongoing compliance review on the operation of the Securities, Futures and Asset Management Division of the Group;
- ensures compliance with, to review and recommend amendment to management policies and procedures, relevant provisions in the Securities and Futures Ordinance Cap. 571 ("**SFO**") and other relevant regulations;
- ensures proper internal control procedures are in place to safeguard company's and client's assets; and
- prepares and submits the annual compliance review report to the Board for review.

PROCESS USED TO IDENTIFY, EVALUATE AND MANAGE SIGNIFICANT RISKS

Management, with the assistance of the external consultants, are responsible for designing, implementing and monitoring the risk management and internal control systems.

The processes used to identify, evaluate and manage significant risks by the Group are summarized as follows:

Risk identification

- identifies significant risks through interviewing with the management of major subsidiaries. Risk Assessment Evaluation Form are used to document the risk identified by the management of major subsidiaries.

Risk assessment

- analyses the risk identified by the major subsidiaries from the perspective of the Group level as a whole. The analysis considers the range of potential consequences and how likely those consequences to occur. Consequences and likelihood are combined to produce an estimated level of risk.

Risk response

- categorizes the risks into low risk, medium risk and high risk;
- determines the strategy to handle the risk; and
- develops the risk register and internal control audit plan and determines the frequency of review and control testing on key controls.

Risk monitoring and reporting

- performs ongoing communication of monitoring results to the Board which enables it to assess control of the Group and the effectiveness of risk management;
- presents the compliance review report performed by the Group's legal and compliance department to the Board for review; and
- delivers the fact-findings report with recommendations on the review and testing of internal controls on certain agreed operating cycles and areas performed by external consultant to the Audit Committee and the Board.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is primarily performed by the management of the Company and the Legal and Compliance Department, including analyzing and appraising the adequacy and effectiveness of the Group's risk management and internal control systems. For enhancement of the quality of the internal audit, the Company has engaged an external consultant to assist the Management to:

- perform the risk assessment process;
- review the Group's internal audit function; and
- execute the internal audit plan, including performing test of control on selected cycles in accordance with agreed upon procedures determined by the Management.

During the year ended 31 March 2024, the Board conducted an annual review on the effectiveness of the Group's risk management and internal control systems and concluded that the risk management and internal control systems of the Group were adequate and effective during the year under review.

Whistleblowing Policy and Anti-Corruption Policy

The Board adopted a whistleblowing policy (the "**Whistleblowing Policy**") in June 2022. The purpose of the Whistleblowing Policy is to commit to the highest possible standards of openness, probity and accountability. It provides the employees of the Group with protection, support, reporting channels and guidance on whistleblowing. The nature, status and the results of the complaints received under the Whistleblowing Policy are reported to Executive Directors. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 March 2023 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee to ensure its effectiveness.

Anti-corruption Policy

The Board adopted an Anti-corruption Policy (the "**Anti-corruption Policy**") in June 2022. The Group is committed to preventing, detecting and reporting fraud, including fraudulent financial reporting. The Anti-corruption Policy applies to the Directors, officers, and employees of the Group. The Group encourages all of its business partners, including joint venture partners, associated companies, contractors and suppliers to abide by the principles of the Anti-corruption Policy. I In the Reporting Period, the Group was in compliance with the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) and no legal cases regarding corrupt practices was brought against the Group or its directors or employees.

INFORMATION DISCLOSURE POLICY

The Company has adopted its information disclosure policy and related procedures with regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission. The policy stipulates the responsibilities of the Group, key disclosure requirements under Part XIVA of the SFO and Rules 17.10, 17.11 and 17.11A of the GEM Listing Rules, control measures and reporting procedures of handling confidential information and monitoring information disclosure. The Group adopts an upward reporting approach within the Group for identifying and escalating any potential inside information to the Board. The policy is reviewed annually and all reasonable measures have to be taken from time to time to ensure proper safeguards to prevent any breach of disclosure requirements and to maintain strict confidentiality of information.

國衛會計師事務所有限公司
HODGSON IMPEY CHENG LIMITED

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Hong Kong

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
IMPERIUM FINANCIAL GROUP LIMITED
(Incorporated in Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Imperium Financial Group Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 44 to 147, 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.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Material uncertainties relating to the going concern basis

As explained in note 3(a) to the consolidated financial statements, the Group incurred a net loss of approximately HK$13,597,000 for the year ended 31 March 2024 and, as of that date, the Group was in net current liabilities and net liabilities position of approximately HK$80,650,000 and HK$46,948,000 respectively. In addition, the Group had issued a promissory note with the principal amount of approximately HK$107,767,000 which will mature on 31 January 2025.

The factors referred to above, along with other matters as described in note 3(a) to the consolidated financial statements, indicate the existence of material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking certain plans and measures to improve the liquidity and financial position of the Group, which are set out in note 3(a) to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, of which the validity is dependent on the outcomes of these plans and measures, which are inherently uncertain and subject to multiple uncertainties, including (i) whether the Group's debtors will timely settle their debts; (ii) whether the Group can successfully implement measures for cost control and business strategies to improve its business operations; (iii) whether the Group can successfully negotiate with its creditors for extension of its debts when they fall due and successfully obtain additional new sources of financing as and when needed; and (iv) whether the Group can successfully dispose of its investment properties on a timely basis.

We have not been able to obtain sufficient appropriate audit evidence to satisfy ourselves about the appropriateness of the use of the going concern basis of accounting in the preparation of the consolidated financial statements because of the lack of detailed analyses provided by directors of the Company in relation to its plans and measures for future actions in its going concern assessment which take into account the uncertainty of the outcome of these plans and measures and how the variability of their outcome would affect the future cash flows of the Group.

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

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hog Kong Institute of Certified Public Accountants ("**HKICPA**") and the Hong Kong Companies Ordinance and for such internal control as directors of the Company 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 of the Company 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 Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditors' report. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

The engagement director on the audit resulting in this independent auditors' report is Yu Chi Fat.

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Yu Chi Fat
Practicing Certificate Number: P05467

Hong Kong, 28 June 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

	notes	2024	2023
		HK$'000	*HK$'000*
Revenue	*7*	**31,354**	30,273
Direct costs		**(20,578)**	(12,466)
Gross profit		**10,776**	17,807
Other operating income	*9*	**1,017**	1,894
Impairment losses under expected credit loss model, net of reversal	*10*	**10,078**	(6,712)
Other gains and losses	*11*	**8,614**	(70,381)
Administrative expenses		**(27,260)**	(45,139)
Finance costs	*12*	**(17,221)**	(15,366)
Fair value change of biological assets, net		**(251)**	(1,562)
Loss before taxation	*13*	**(14,247)**	(119,459)
Income tax credit	*14*	**650**	1,837
Loss for the year attributable to owners of the Company		**(13,597)**	(117,622)
Other comprehensive loss:			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		**(2,022)**	(3,218)
Other comprehensive loss for the year		**(2,022)**	(3,218)
Total comprehensive loss for the year attributable to owners of the Company		**(15,619)**	(120,840)
			(Restated)
Loss per share (HK cents)	*17*		
Basic and diluted		**(0.59)**	(5.09)

The accompanying notes form 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
NON-CURRENT ASSETS			
Intangible assets	18	**500**	500
Property, plant and equipment	19	**755**	1,927
Right-of-use assets	20	**–**	–
Investment properties	21	**35,904**	41,351
Other assets	22	**275**	275
Deposit	28	**447**	39
Biological assets	23	**205**	584
		38,086	44,676
CURRENT ASSETS			
Loan receivables	24	**49**	305
Cryptocurrencies	25	**1,286**	5,193
Trade receivables	26	**459**	5,424
Advances to customers in margin financing	27	**6,352**	10,154
Prepayments, deposits and other receivables	28	**4,694**	2,451
Cash and cash equivalents	29	**47,600**	66,249
Cash held on behalf of customers	30	**44,827**	50,952
		105,267	140,728
CURRENT LIABILITIES			
Trade payables	31	**47,894**	57,468
Accruals and other payables	32	**33,153**	33,970
Amounts due to related companies	33	**601**	589
Promissory notes	34	**100,702**	–
Lease liabilities	36	**2,771**	1,802
Income tax payable		**796**	159
		185,917	93,988

The accompanying notes form 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
NET CURRENT (LIABILITIES)/ASSETS		**(80,650)**	46,740
TOTAL ASSETS LESS CURRENT LIABILITIES		**(42,564)**	91,416
NON-CURRENT LIABILITIES			
Promissory notes	34	**–**	115,523
Deferred tax liabilities	35	**4,384**	5,827
Lease liabilities	36	**–**	2,771
		4,384	124,121
NET LIABILITIES		**(46,948)**	(32,705)
EQUITY			
Share capital	37	**93,361**	91,370
Reserves		**(140,309)**	(124,075)
CAPITAL DEFICIENCY		**(46,948)**	(32,705)

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 June 2024 and are signed on its behalf by:

Cheng Ting Kong	**Cheng Mei Ching**
Director	*Director*

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Attributable to owners of the Company								
	Share capital	Share premium *(Note 47(a))*	Capital contribution reserve *(Note 47(b))*	Capital redemption reserve *(Note 47(c))*	Property revaluation reserve *(Note 47(d))*	Merger reserve *(Note 47(e))*	Translation reserve *(Note 47(f))*	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
1 April 2022	91,370	1,108,421	110,912	255	4,412	370	36,200	(1,283,273)	68,667
Loss for the year	-	-	-	-	-	-	-	(117,622)	(117,622)
Other comprehensive loss:									
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	(3,218)	-	(3,218)
Total comprehensive loss for the year	-	-	-	-	-	-	(3,218)	(117,622)	(120,840)
Modification of promissory notes *(note 34)*	-	-	19,468	-	-	-	-	-	19,468
At 31 March 2023 and 1 April 2023	91,370	1,108,421	130,380	255	4,412	370	32,982	(1,400,895)	(32,705)
Loss for the year	-	-	-	-	-	-	-	(13,597)	(13,597)
Other comprehensive loss:									
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	-	-	-	(2,022)	-	(2,022)
Total comprehensive loss for the year	-	-	-	-	-	-	(2,022)	(13,597)	(15,619)
Right issue of shares *(note 37)*	1,991	(615)	-	-	-	-	-	-	1,376
At 31 March 2024	93,361	1,107,806	130,380	255	4,412	370	30,960	(1,414,492)	(46,948)

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	notes	2024 HK$'000	2023 HK$'000
Cash flows from operating activities			
Loss before taxation		**(14,247)**	(119,459)
Adjustments for:			
Depreciation of property, plant and equipment		**158**	5,989
Depreciation of right-of-use assets		**–**	1,910
Interest income		**(314)**	(474)
Finance costs		**17,221**	15,366
Impairment losses under expected credit loss model, net of reversal, in respect of advances to customers in margin financing		**(10,713)**	7,711
Impairment losses under expected credit loss model, net of reversal, in respect of trade receivables		**502**	(821)
Impairment losses under expected credit loss model, net of reversal, in respect of loan receivables		**133**	(178)
Impairment loss recognised in respect of property, plant and equipment		**–**	13,598
Impairment loss recognised in respect of cryptocurrencies		**–**	25,219
Impairment loss recognised in respect of right-of-use assets		**–**	4,111
Fair value change of biological assets, net		**251**	1,562
Fair value change of investment properties		**4,282**	(725)
Loss on early redemption of promissory notes		**4,460**	5,678
Gain on disposal of biological assets		**–**	(56)
Loss of written of biological assets		**113**	–
Gain on disposal of property, plant and equipment		**(8,150)**	–
Loss on written off of property, plant and equipment		**491**	45
Loss on the Incident		**–**	22,412
Realised loss on derecognition of cryptocurrencies		**–**	1
Operating cash flows before working capital changes		**(5,813)**	(18,111)
Decrease in cryptocurrencies		**5,401**	6,035
Decrease in loan receivables		**123**	4,432
Decrease/(increase) in trade receivables		**4,815**	(1,772)
Decrease in advances to customers in margin financing		**14,515**	41,563
(Increase)/decrease in prepayments, deposits and other receivables		**(2,669)**	4,378
Decrease in cash held on behalf of customer		**6,125**	2,681
Decrease in trade payables		**(9,538)**	(1,335)
Decrease in accruals and other payables		**(409)**	(3,930)
Increase/(decrease) in amounts due to related companies		**32**	(307)

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	notes	**2024**	2023
		HK$'000	*HK$'000*
Cash generated from operations		**12,582**	33,634
Income tax refund		**–**	2,632
Net cash generated from operating activities		**12,582**	36,266
Cash flows from investing activities			
Interest received		**314**	474
Proceeds from disposal of biological assets		**–**	58
Proceeds from disposal of property, plant and equipment		**8,150**	–
Additions of property, plant and equipment		**(972)**	(88)
Net cash generated from investing activities		**7,492**	444
Cash flows from financing activities			
Proceed from rights issue of shares		**1,376**	–
Repayment of promissory notes		**(36,000)**	(53,000)
Repayment of lease liabilities and interest		**(2,304)**	(1,897)
Net cash used in financing activities		**(36,928)**	(54,897)
Net decrease in cash and cash equivalents		**(16,854)**	(18,187)
Cash and cash equivalents at the beginning of the year		**66,249**	85,535
Effect of changes in exchange rate, net		**(1,795)**	(1,099)
Cash and cash equivalents at the end of the year	*29*	**47,600**	66,249

1. GENERAL

The Company is incorporated in the Cayman Islands on 11 July 2000 as an exempted company with limited liability under the Companies Law (Revised) of Cayman Islands. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). As at the reporting date, the ultimate and immediate holding company of the Company is Fresh Success Investments Limited, a company incorporated in the British Virgin Islands, and is beneficially owned by Mr. Cheng Ting Kong, the executive director and ultimate controlling shareholder of the Company ("**Mr. Cheng**").

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**") which is same as the functional currency of the Company and all amounts are rounded to the nearest thousand (**HK$'000**) except otherwise indicated.

During the year ended 31 March 2024, the Group was principally engaged in money lending, securities and futures brokerage, assets management services, properties investment, investment in stallions and cryptocurrency mining.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") for the first time, which are mandatorily effective for the Group's annual periods beginning on 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform – Pillar Two Model Rules*

The application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*[2]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)*[2]
Amendments to HKAS 1	*Non-current Liabilities with Covenants*[2]
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*[2]
Amendments to HKAS 21	*Lack of Exchangeability*[3]

[1] *Effective for annual periods beginning on or after a date to be determined*

[2] *Effective for annual periods beginning on or after 1 January 2024*

[3] *Effective for annual periods beginning on or after 1 January 2025*

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and by the Hong Kong Companies Ordinance.

(a) Going concern basis

The Group incurred a net loss of approximately HK$13,597,000 (2023: HK$117,622,000) during the year ended 31 March 2024 and, as of that date, the Group recorded net current liabilities and net liabilities of approximately HK$80,650,000 and HK$46,948,000 respectively. The Group has sustained losses for twelve consecutive years. The cumulative losses incurred by the Group for the twelve years ended 31 March 2024 amounted to approximately HK$2,232,954,000 (2023: eleven years ended 31 March 2023 was approximately HK$2,219,357,000).

Further, as at 31 March 2024, the Group had a promissory note with the principal amount of approximately HK$107,767,000 due to a related company, which is beneficially owned and controlled by Mr. Cheng, which matured on 31 January 2023 and was further extended to 31 January 2025, while the Group recorded cash and cash equivalents of approximately HK$47,600,000 as at 31 March 2024.

The conditions described above cast significant doubt on the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to finance its future working capital and fulfill its financial obligations and continue as a going concern. Certain plans and measures are being or will be taken to manage its liquidity needs and to improve its financial position, which include, but are not limited to, the following:

(i) The Group will continuously adopt strict monitoring process on the repayment status of loan receivables, trade receivables and advances to customers in margin financing in order to ensure timely collection and improve its operating cash flows and financial position;

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Basis of preparation of consolidated financial statements *(Continued)*

(a) Going concern basis *(Continued)*

(ii) The Group will continuously take measures to tighten cost control over various costs to attain profit and operating cash inflows and implement various strategies to enhance the Group's revenue;

(iii) The Group will continue negotiations with its creditors for extension of its debts when fall due and seek alternative debt and/or equity financing to meet cash flow requirements; and

(iv) The Group may consider to dispose of its investment properties if required.

The directors of the Company had reviewed the Group's cash flow forecast for a period of not less than twelve months from the date of the approval and authorisation to issue of the consolidated financial statements and are of the opinion that the Group will have sufficient cash resources to finance its working capital requirements and financial obligations during the forecast period, taking into account and assuming the above-mentioned plans and measures will enable the Group's operations to attain profitable and positive cash flows from operations and result in successful negotiation with the Group's creditors to extend the repayment date or obtain sufficient new financing. Accordingly, the directors of the Company are of the opinion that it is appropriate to prepare the consolidated financial statements for the year ended 31 March 2024 on a going concern basis. However, the eventual outcome of these matters cannot be estimated with reasonable certainty, hence there exists material uncertainty related to the conditions described above which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the Group's consolidated financial statements as the consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern.

Material accounting policies information

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(b) Basis of consolidation *(Continued)*

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(c) Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9 *Financial Instruments*. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(c) Revenue from contracts with customers *(Continued)*

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Variable consideration

For contracts that contain variable consideration (mainly represents the performance income, as explained above), the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

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

(1) Brokerage

The Group provides brokering and dealing services for securities, futures and options contracts. Commission income is recognised at a point in time on the execution date of the trades at a certain percentage of the transaction value of the trades executed. Fee income is recognised when the transaction is executed and service is completed, except for custodian service fee which is recognised over time.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(c) Revenue from contracts with customers *(Continued)*

Variable consideration (Continued)

(2) Asset management

The Group provides asset management and advising on securities to customers. The customers simultaneously receive and consume the benefit provided by the Group, hence the revenue is recognised as a performance obligation satisfied over time. Asset management fee income is charged at a fixed percentage per month of the net asset value of the managed accounts under management of the Group.

The Group is also entitled to a performance fee when there is a positive performance for the relevant performance period and it is recognised at the end of the relevant performance period, when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) Stallions service

Service income is recognised at the point in time when a vet certificate is produced for confirming that a viable live foal was produced. Service income is recognised at the amount attributable to the Group's interests in the stallion.

(4) Sales of cryptocurrency

Revenue from sales of cryptocurrency is recognised at the point in time when control of the asset has transferred, being when the sales of cryptocurrency are executed in the trading and exchange platforms and ownership of the cryptocurrency has been transferred.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(d) Leases

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract
For a contract that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to leases of office that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(d) Leases *(Continued)*

The Group as a lessee (Continued)

Right-of-use assets
The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

Refundable rental deposits
Refundable rental deposits paid are accounted 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(d) Leases *(Continued)*

The Group as a lessee (Continued)

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

The Group as a lessor

Classification and measurement of leases

Lease for which the Group is a lessor is classified as operating lease.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

Rental income which are derived from the Group's ordinary business are presented as revenue.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(e) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. When a fair value gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is also recognised in profit or loss. When a fair value gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is also recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK$) at the exchange rate prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(f) Borrowing costs

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

(g) Employee benefits

(i) Retirement benefit scheme

Payments to the Mandatory Provident Fund Scheme ("**MPF Scheme**") in Hong Kong and Superannuation Guarantee Contribution Scheme ("**SGC Scheme**") in Australia are recognised as an expense when employees have rendered services entitling them to the contributions.

(ii) Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

(h) Taxation

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

Current tax

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(h) Taxation *(Continued)*

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(h) Taxation *(Continued)*

Deferred tax (Continued)

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

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when 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, except for freehold land, which is always presumed to be recovered entirely through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to 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 assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(i) Property, plant and equipment

Property, plant and equipment are tangible assets that held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

If a property becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant leasehold land classified as right-of-use assets) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the property, the relevant revaluation reserve will be transferred directly to retained profits.

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. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The principal annual rates of depreciation are as follows:

Cryptocurrency mining equipment	33.33%
Leasehold improvement	4% to 20%
Furniture, fixtures and office equipment	11.25% to 33.33%
Motor vehicles	8.3% to 20%
Yacht	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement is recognised in the consolidated statement of profit or loss in the year which the asset is derecognised and such amount is determined as the difference between the net sales proceeds and the carrying amount of the relevant asset.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(j) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at fair value, adjusted to exclude any prepaid or accrued operating lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

(k) Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses.

Intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see accounting policy in respect of impairment losses on intangible assets below).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(I) Cryptocurrency

The Group is engaged in the provision of transaction verification services within cryptocurrency networks, commonly termed “cryptocurrency mining”. Cryptocurrency consists of mined cryptocurrency, which have active markets where the cryptocurrency can be bought and sold and that provide pricing information on an ongoing basis, do not qualify for recognition as cash and cash equivalents or financial assets, and are intangible assets in nature.

The Group’s business model for holding cryptocurrency mined from the operations of its cryptocurrency mining equipment is to hold the cryptocurrency for sale in the ordinary course of business. Accordingly, cryptocurrency are intangible assets that are accounted for as inventories based on the requirements of HKAS 2.

Inventories of cryptocurrency are stated at the lower of cost and net realisable value. The cost of mined cryptocurrency comprises all costs of conversion and other costs incurred in bringing the cryptocurrency to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

The costs of cryptocurrency mining services provided to the Group by service providers which were paid for by the Group in the form of cryptocurrency are recognised and determined based on the agreed cash amounts set out in the terms of the respective mining service agreements. The equivalent numbers of cryptocurrency used for settlement of the payables to the mining service providers are determined by mutual agreement of the Group and the respective mining service based on the quoted market prices of the cryptocurrency at the time of agreement of the settlement terms of the payables.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(m) Biological assets

Biological assets, including Stallions, are measured on initial recognition and at the end of the reporting period at their fair value less costs to sell, with any resulting gain or loss recognised in the profit or loss for the year in which it arises. Costs to sell are the incremental costs directly attributable to the disposal of an asset, mainly transportation cost and excluding finance costs and income taxes. The fair value of biological assets is determined based on their present location and condition and is determined independently by a professional valuer.

(n) Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets other than goodwill with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Intangible assets with indefinite useful lives are test for impairment at least annually, and whenever there is an indication that they may be impaired.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets other than goodwill are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(n) Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill *(Continued)*

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of CGUs. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of CGUs. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit of loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for the costs to restore leased assets to their original condition, as required by the terms and conditions of the lease, are recognised at the date of inception of the lease at the directors' best estimate of the expenditure that would be required to restore the assets. Estimates are regularly reviewed and adjusted as appropriate for new circumstances.

(p) Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(q) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which is derived from the Group's ordinary course of business are presented as revenue.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(q) Financial instruments *(Continued)*

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

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

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(q) Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets
The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, other asset, deposits and other receivables, loan receivables, advances to customers in margin financing, cash and bank balances and cash held on behalf of customers) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(q) Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as 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.

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 business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(q) Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

(i) Significant increase in credit risk *(Continued)*

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 reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when 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 collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(q) Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) the disappearance of an active market for that financial asset because of financial difficulties; or

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit loss.

(iv) 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 in the case of trade receivables, when the amounts are over two years past due, 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.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(q) Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward-looking macroeconomic information.

- Past-due status;

- Nature, size and industry of debtors; and

- External credit ratings where available.

The grouping is regularly reviewed by the directors of the Company to ensure the constituents of each group continue to share similar credit risk characteristics.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(q) Financial instruments *(Continued)*

Financial assets (Continued)

Impairment of financial assets *(Continued)*

(v) Measurement and recognition of ECL *(Continued)*

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and advances to customers in margin financing where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

***(q) Financial instruments** (Continued)*

Financial liabilities and equity (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities including trade payables, accruals and other payables, amounts due to related companies, promissory notes and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

Derecognition/modification of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. The above said fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICIES INFORMATION *(Continued)*

Material accounting policies information *(Continued)*

(q) Financial instruments *(Continued)*

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(r) Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

(a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

(b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(s) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “Other operating income”.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies which are described in note 3, the directors are required to make judgments, 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.

The estimates and underlying assumptions are reviewed on an on-going 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.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern and liquidity

As explained in note 3(a), the Group incurred a net loss of approximately HK$13,597,000 (2023: HK$117,622,000) for the year ended 31 March 2024 and the Group had sustained losses for twelve consecutive years and as of that date, the Group recorded net current liabilities and net liabilities of approximately of HK$80,650,000 and HK$46,948,000. These conditions, along with other matters as set forth in note 3(a) to the consolidated financial statements, indicate the existence of material uncertainties which may cast doubt on the Group's ability to continue as a going concern. The assessment of the going concern assumptions involves making judgment by the directors of the Company, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The directors of the Company consider that the Group has the ability to continue as a going concern notwithstanding the major conditions that may cast doubts about the going concern assumptions, which are set out in note 3(a) to the consolidated financial statements.

Deferred taxation on investment properties

In respect of the Group's investment properties located in Australia with carrying amount of approximately HK$35,904,000 (2023: HK$41,351,000), the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has recognised deferred taxes of approximately HK$4,384,000 (2023: HK$5,827,000) as at 31 March 2024 as the Group is subject to Australian tax upon disposal of the relevant investment properties.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Critical judgments in applying accounting policies *(Continued)*

Revenue recognition of cryptocurrency mining

There is currently no specific definitive guidance in HKFRS or alternative accounting frameworks for accounting for the revenue recognition from cryptocurrency mining as well as subsequent measurement of cryptocurrency held.

Given the Group holding cryptocurrencies mined from the operation of its cryptocurrency mining equipment is to sell the cryptocurrencies in the ordinary course of business, the directors of the Company has determined that revenue should be recognised at the date of disposal. The directors of the Company has exercised significant judgment in determining the appropriate accounting treatment. In the event authoritative guidance is issued by the HKICPA, the Group may be required to change its accounting policies, which could have a material effect on the Group's consolidated financial statements.

Key sources of estimation uncertainty

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

Provision of ECL for advances to customers in margin financing

The Group makes loss allowances on advances to customers in margin financing based on various factors including the past due status of the receivables, past default experience, qualitative creditworthiness, collateral values and forward-looking macroeconomic scenarios and economic inputs. The assessment of ECL on receivables involves high degree of estimation uncertainty and is sensitive to changes in estimates. Where the expectations are different from the original estimates, such differences will impact the carrying amounts of receivables and the allowance for credit losses on receivables recognised in the years in which such estimates have been changed.

Further information is disclosed in note 5(b) to the consolidated financial statements.

Fair value of investment properties

Investment properties are stated at fair value based on the valuation performed by independent professional valuers. As at 31 March 2024, the carrying amount of the Group's investment properties was approximately HK$35,904,000 (2023: HK$41,351,000). The determination of the fair value involves certain assumptions of market conditions which are set out in note 21 to the consolidated financial statements.

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	2024 HK$'000	2023 HK$'000
Finance assets		
Amortised cost	**104,021**	134,466
Financial liabilities		
Amortised cost	**185,121**	212,123

(b) Financial risk management objectives and policies

The Group's major financial instruments include other assets, loan receivables, trade receivables, advances to customers in margin financing, deposits and other receivables, cash and cash equivalents, cash held on behalf of customers, trade payables, accruals and other payables, amounts due to related companies, promissory notes and lease liabilities. Details of these financial instruments are disclosed in respective notes to the consolidated financial statements. The risks associated with these financial instruments and cryptocurrencies include credit risk, market risk (interest rate risk, foreign currency risk and price risk) and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the Group's risk exposure relating to financial instruments and the manner in which it manages and measures the risks.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to other assets, loan receivables, trade receivables, advances to customers in margin financing, deposits and other receivables, cash and bank balances and cash held on behalf of customers. As at 31 March 2024 and 2023, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties, would be the carrying amount of the respective financial assets. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risk associated with loan receivables is mitigated by share charges over issued share capital of private companies incorporated in Hong Kong and personal guarantees and advances to customers in margin financing is mitigated by collateral over securities held by margin customers.

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk

Internal credit rating	Description	ECL treatment
Performing	The balances that have not had a significant increase in credit risk since initial recognition and 12-month ECL will be recognised	12-month ECL
Underperforming	The balances that have had a significant increase in credit risk since initial recognition and for which the lifetime ECL will be recognised	Lifetime (Not credit-impaired)
Not performing	The balances that have objective evidence of impairment and for which the lifetime ECL will be recognised	Lifetime (Credit-impaired)
Write-off	The balances that have evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	notes	**Internal credit rating**	**12m or lifetime ECL**	**Gross carrying amount**	
				2024	2023
				HK$'000	*HK$'000*
Financial assets at amortised cost					
Loan receivables	*24*	Performing	12m ECL	**49**	361
		Underperforming	Lifetime ECL (not credit impaired)	**–**	97
		Not performing	Lifetime ECL (credit impaired)	**16,097**	15,811
Trade receivables	*26*	*(Note)*	Lifetime ECL (collective assessment)	**428**	766
		Performing	Lifetime ECL (not credit impaired)	**361**	5,254
		Not performing	Lifetime ECL (credit impaired)	**746**	1,139
Advances to customers in margin financing	*27*	Performing	12m ECL	**3,187**	5,446
		Underperforming	Lifetime ECL (not credit impaired)	**–**	123
		Not performing	Lifetime ECL (credit impaired)	**10,642**	22,555
Other assets	*22*	Performing	12m ECL	**275**	275
Deposits and other receivables	*28*	Performing	12m ECL	**4,459**	1,107
Cash and bank balance	*29*	Performing	12m ECL	**47,600**	66,249
Cash held on behalf of customers	*30*	Performing	12m ECL	**44,827**	50,952

Note: For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The group determines the ECL on these items on a collective basis, grouped by past due status.

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

The Group has established credit policies and the exposures to these credit risks are monitored on an ongoing basis. Information about the Group's credit risk management, and the related impairment assessment, if applicable, are summarised as below:

Loan receivables

In order to minimise the credit risk, the directors of the Company have appointed a working team of authorised persons who are charged with the responsibility of accepting new borrowers, approving credit limit for each borrower and reviewing borrowers' repayment ability periodically.

The Group adopts a credit risk assessment procedure before the loan is granted as follow: (i) review application and verification of required documents, including but not limited to the identity proof (identity card, certificate of incorporation, business registration certificate and/or latest annual return), address proof, and such other documents obtained by conducting public searches; (ii) search its record to ascertain as to whether the loan applicants are on our blacklist; (iii) face to face interview; (iv) for secured loans, assess the market value of the collateral with reference to the financial report of the charged assets (if applicable); and (v) conduct litigation, bankruptcy, winding up and company search.

When conducting credit risk assessment for unsecured loans, instead of assessing the market value of the collateral, the Group would take a holistic approach to consider, among others, income/assets, repayment ability and/or the loan size of the relevant loan applicant in assessing the risk in granting the unsecured loans. As at 31 March 2024 and 2023, all the unsecured loans are small loans (i.e. with loan amount smaller than HK$50,000).

The Group would perform annual review of the documents and searches of the borrowers, the security providers (if applicable) and/or the charged assets (if applicable), including but not limited to identity proof (identity card, certificate of incorporation business registration certificate and/or latest annual return), address proof, and such other documents obtained by conducting public searches, and the financial report of the charged assets. In additional, a monthly site visit would be performed to ensure the company is in normal operation. Reminder has been sent monthly for any overdue instalments.

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

Loan receivables (Continued)

The Group assesses allowance for credit losses on loan receivables individually based on historical credit loss experience of the customers as well as fair value of the collateral pledged by the customers and adjusted for forward-looking information. As at 31 March 2024, the balance of allowance for credit losses in respect of loan receivables were approximately HK$16,097,000 (2023: HK$15,964,000). Movements in allowance for credit losses are disclosed in note 24 to the consolidated financial statements.

The Group has concentration of credit risk as 72% (2023: 14%) and 100% (2023: 43%) of the total loan receivables was due from the Group's largest customer and the five largest customers respectively.

Trade receivables

The Group's trade receivables are mainly due from brokers, dealers and clearing house and customer from equine business. The Group applies simplified approach under ECL model in assessing the lifetime ECL for trade receivables. The Group assesses trade receivables with shared credit risk characteristics with the use of provision matrix and assesses trade receivables with significant balances and credit-impaired individually.

For trade receivables due from reputable brokers, dealers and clearing houses, which are governed by regulators such as Hong Kong Securities and Futures Commission (the "**SFC**"), the directors consider the credit risk of these trade receivables to be low as the counterparties do not have defaults in the past and therefore the average expected credit loss rate is assessed to be immaterial and no provision was made for the reporting period.

For trade receivables due from customers of equine business, the Group assesses allowance for credit losses collectively based on provision matrix. The trade receivables are grouped based on shared credit risk characteristics by reference to past default experience and current past due exposure of the customer. The estimated loss rates are estimated based on historical observed default rates over the expected life of the customers and are adjusted for forward-looking information. The grouping is regularly reviewed by the directors of the Company to ensure relevant information about specific customers are updated. As at 31 March 2024, the balance of allowance for credit losses in respect of trade receivables were approximately HK$1,076,000 (2023: HK$1,735,000). Movements in allowance for credit losses are disclosed in note 26 to the consolidated financial statements.

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

Trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and average expected loss rate for trade receivables from equine business that are not credit-impaired under provision matrix for the year ended 31 March 2024 and 2023:

	2024		
	Average expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	*HK$'000*	*HK$'000*
61-90 days past due	**79.0**	**428**	**338**

	2023		
	Average expected loss rate	Gross carrying amount	Loss allowance
	%	*HK$'000*	*HK$'000*
61-90 days past due	77.8	766	596

The Group has concentration of credit risk as 100% (2023: 41%) and 100% (2023: 100%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

Trade receivables which were credit-impaired with gross carrying amount of approximately HK$738,000 (2023: HK$1,139,000) were assessed individually because there were breach of contract, such as a default or past due event.

Advances to customers in margin financing

In order to minimise the credit risk of advances to customers in margin financing, the directors of the Company have appointed a working team of authorised persons who are charged with the responsibility of accepting new customers, approving credit limit for each customer, approving shares acceptable for margin financing and setting stock margin ratio for each approved share.

The working team manages and analyses the credit risk for each of its new and existing clients before standard payment terms and conditions are offered. If there is no independent rating, the Group assesses the credit quality of the customer based on the customer's financial position, past experience and other factors.

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Credit risk *(Continued)*

Advances to customers in margin financing (Continued)

For approving shares acceptable for margin financing, the working team will update the approved share list bimonthly, and will revise as and when deemed necessary. They will further prescribe from time to time lending limits on individual share or on any individual customer and his/her associates.

The working team is also responsible for overall monitoring of the credit risk of its customers and will make margin call to those customers who trade exceed their respective limits. Any such excess is required to be made good within two days for securities and the next day for futures of the deficiency report. The deficiency report will be monitored daily by the Group's compliance officer and responsible officers. Failure to meet margin calls may result in the liquidation of the customers' positions. For each individual other loans and advances, the working team will closely monitor financial position of the debtors and guarantors, and for the loans with collateral pledged to the Group, they will ensure sufficient collateral was received and to maintain an acceptable loan to collateral value ratio.

The Group assesses allowance for credit losses on advances to customers in margin financing individually based on historical credit loss experience of the customers as well as the fair value of the collateral pledged by the customers and adjusted for forward-looking information. As at 31 March 2024, the balance of allowance credit losses in respect of advances to customers in margin financing were approximately HK$7,477,000 (2023: HK$17,970,000). Movements in allowance for credit losses are disclosed in note 27 to the consolidated financial statements.

The Group has concentration of credit risk as 46% (2023: 18%) and 86% (2023: 61%) of the total advances to customers in margin financing was due from the Group's largest customer and the five largest customers respectively.

Other assets, deposits and other receivables

The credit quality of other assets, deposits and other receivables have been assessed with reference to historical information about the counterparties default rates of the counterparties. The directors are of the opinion that the credit risk of these amounts are low and therefore the average expected credit loss rate is assessed to be immaterial and no provision was made for the reporting period.

Cash and bank balances and cash held on behalf of customers

Credit risk on cash and bank balances and cash held on behalf of customers are limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies and the ECL on bank balances are considered to be insignificant.

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Market risk

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate promissory notes and loan receivables. The Group is also exposed to cash flow interest rate risk in relation to variable-rate cash and cash equivalents, cash held on behalf of customers and advances to customers in margin financing.

In the case that the interest rates increase/decrease by 1% (2023: 1%), with all other variables held constant, loss for the year ended 31 March 2024 would have been decrease/increase by approximately HK$825,000 (2023: HK$1,063,000).

Foreign currency risk

The Group operates in Hong Kong and Australia. The Group is exposed to foreign currency risk from commercial transactions and monetary assets and liabilities that are denominated in a currency that is not the Group entity's functional currency.

The Group engages in equine business in Australia through its local subsidiaries with Australian Dollars ("**AUD**") as their functional currency. At 31 March 2024 and 2023, these Australia subsidiaries are not exposed to foreign currency risk as their monetary assets and liabilities are denominated in AUD.

The other entities within the Group with Hong Kong dollar as their functional currency have commercial transactions and monetary assets and liabilities that are denominated in United States Dollar ("**US$**") and other foreign currencies. Since HK$ is pegged to US$, the Group does not expect any significant movement in HK$/US$ exchange rate and there is no significant foreign currency risk exposure with respect to US$. Given that the aggregate amount monetary assets and liabilities denominated in other foreign currencies are minimal, the foreign currency risk exposure with respect to other foreign currencies is not significant.

The Group currently does not have a foreign currency hedging policy in respect of assets and liabilities denominated in foreign currency. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities. As part of the measures to safeguard liquidity, the Group has diversified the funding sources and spacing out the maturity dates.

A number of the Group's activities in Hong Kong are subject to various statutory liquidity requirements as prescribed by the SFC in accordance with the Hong Kong Securities and Futures Ordinance (the "**SFO**").

The Group has also put in place a monitoring system to ensure that it maintains adequate liquid capital to fund its business commitments and to comply with relevant liquid capital requirements under the SFO.

The Group closely monitors its liquidity risk by performing periodic reviews and evaluations of its liquidity with regard to the industry characteristics, market conditions, business strategies and changes in the Group's state of affairs and adjusting the current and non-current portions of the Group's debt portfolio on a proper and timely basis. In addition, the Group aims to ensure continuity of funds and flexibility through the use of various means of financing and by keeping committed facilities available.

5. FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted cash flows, are as follows:

	Effective interest rate	Within 1 year	1 to 5 years	Over 5 years	Total undiscounted cash flow	Carrying amount
	%	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
2024						
Non-derivative financial liabilities						
Trade payables		**47,894**	**–**	**–**	**47,894**	**47,894**
Accruals and other payables		**33,153**	**–**	**–**	**33,153**	**33,153**
Amounts due to related companies		**601**	**–**	**–**	**601**	**601**
Promissory notes	**16.21**	**114,218**	**–**	**–**	**114,218**	**100,702**
Lease liabilities	**12.34**	**3,060**	**–**	**–**	**3,060**	**2,771**
		198,926	**–**	**–**	**198,926**	**185,121**
2023						
Non-derivative financial liabilities						
Trade payables		57,468	–	–	57,468	57,468
Accruals and other payables		33,970	–	–	33,970	33,970
Amounts due to related companies		589	–	–	589	589
Promissory notes	16.21	–	152,154	–	152,154	115,523
Lease liabilities	7.70-12.34	2,304	3,060	–	5,364	4,573
		94,331	155,214	–	249,545	212,123

5. FINANCIAL INSTRUMENTS *(Continued)*

(c) Fair value of financial instruments

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis were not materially different from their carrying amounts which are carried at amortised cost as at 31 March 2024 and 2023.

6. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the abilities of the entities in the Group to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The directors of the Company actively and regularly review and manage the Group's capital structure to maximise the returns to shareholders through the optimisation of the debt afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. The Group's overall strategy remains unchanged from prior years.

The Group is not subject to any externally imposed capital requirements except for certain subsidiaries, which engaged in securities and futures dealings and broking, nominee and custodian services, leveraged foreign exchange trading, and fund management, are regulated entities under the SFO and are required to comply with certain capital requirement according to the SFO.

During the year, the subsidiaries of the Group which are subject to minimum capital requirements imposed by the SFO, complied with all the minimum capital requirements.

During the years ended 31 March 2024 and 2023, the capital structure of the Group mainly consists of debts, which include promissory notes and lease liabilities and equity attributable to owners of the Company, comprising issued capital and reserves. The directors of the Company consider the cost of capital and the risks associated with each class of capital to monitor its capital structure on the basis of a gearing ratio. The ratio is calculated as borrowings divided by total equity.

The Group aims to maintain the gearing ratio at a reasonable level.

	2024	2023
	HK$'000	*HK$'000*
Borrowings	**103,473**	120,096
Capital deficiency	**(46,948)**	(32,705)
Gearing ratio	**n/a**	n/a

7. REVENUE

	2024	2023
	HK$'000	*HK$'000*
Revenue within the scope of HKFRS 15 *(Note)*:		
Revenue from financial services		
Fees and commission income		
– Securities	**1,863**	6,548
– Future	**–**	5
– Fund and bond	**50**	100
Asset management fee income	**25**	60
	1,938	6,713
Revenue from equine services		
Stallions service income	**1,205**	3,766
Revenue from cryptocurrency business		
Sales of cryptocurrency	**22,626**	10,552
	25,769	21,031
Revenue outside the scope of HKFRS 15:		
Interest income from cash and margin clients	**2,980**	5,204
Interest income from loan receivables	**983**	2,387
Rental income	**1,622**	1,651
	5,585	9,242
	31,354	30,273

7. REVENUE *(Continued)*

Note:

Revenue within the scope of HKFRS 15:

	2024	2023
	HK$'000	*HK$'000*
Recognised at a point in time	**25,744**	20,971
Recognised over time	**25**	60
	25,769	21,031

8. SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the directors of the Company, being the chief operating decision maker (the "**CODM**"), for the purpose of monitoring segment performance and allocating resources between segments and that are used to make strategic decisions.

The Group has four operating and reportable segments – cryptocurrency business, financial service operations, equine service operations and properties investment operations. The segmentations are based on the information about the operations of the Group that the directors of the Company uses to make decisions.

The Group's operating and reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies.

Particulars of the Group's operating and reportable segments are summarised as follows:

Cryptocurrency business	–	Mining and sales of cryptocurrency
Financial services	–	provision of securities and futures brokerage, provision of margin financing, asset management services and custodian services to customers and engaging in money lending business
Equine services	–	provision of stallion services and investment in stallions
Properties investment	–	rental income from investment properties in Australia

No operating segments have been aggregated in arriving at the reportable segments of the Group. Segment revenue reported as follow represents revenue generated from external customers. There was no inter-segment revenue for both years.

8. SEGMENT INFORMATION *(Continued)*

Segment results represent profit earned/(loss incurred) by each segment without allocation of central administrative expenses including directors' emoluments, certain other operating income, certain other gains and losses, certain administrative expenses and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

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

– all assets are allocated to operating segments other than certain right-of-use assets, certain property, plant and equipment, certain prepayments, deposits and other receivables, certain cash and cash equivalents that are not attributable to individual segments. Assets used jointly by individual segments are allocated on the basis of the revenues earned by individual segments; and

– all liabilities are allocated to operating segments other than promissory notes, certain accruals and other payables, certain lease liabilities that are not attributable to individual segments. Liabilities for which segments are jointly liable are allocated in proportion to segment assets.

For the year ended 31 March 2024

	Cryptocurrency business *HK$'000*	Equine services *HK$'000*	Financial services *HK$'000*	Properties investment *HK$'000*	Total *HK$'000*
Segment revenue	22,626	1,205	5,901	1,622	31,354
Segment results	446	10,275	10,623	(2,946)	18,398
Unallocated corporate income					68
Unallocated finance costs					(17,216)
Unallocated corporate expenses					(15,497)
Loss before taxation					(14,247)

8. SEGMENT INFORMATION *(Continued)*

For the year ended 31 March 2024

Amounts included in the measurement of segment profit or loss or segment assets are as follows:

	Cryptocurrency business HK$'000	Equine services HK$'000	Financial services HK$'000	Properties investment HK$'000	Unallocated HK$'000	Total HK$'000
Impairment losses under expected credit loss model, net of reversal						
– advances to customers in margin financing	–	–	10,713	–	–	10,713
– trade receivables	–	(502)	–	–	–	(502)
– loan receivables	–	–	(133)	–	–	(133)
Loss on early redemption of promissory notes	–	–	–	–	(4,460)	(4,460)
Loss on written-off of property, plant and equipment	(491)	–	–	–	–	(491)
Gain on disposal of property, plant and equipment	–	–	8,150	–	–	8,150
Loss on written-off of biological assets	–	(113)	–	–	–	(113)
Insurance compensation on biological asset	–	10,294	–	–	–	10,294
Depreciation of property, plant and equipment	(106)	(52)	–	–	–	(158)
Finance costs	–	–	(5)	–	(17,216)	(17,221)
Fair value change of biological assets	–	(251)	–	–	–	(251)
Fair value loss on investment property	–	–	–	(4,282)	–	(4,282)
Addition to property, plant and equipment	972	–	–	–	–	972

8. SEGMENT INFORMATION *(Continued)*

As at 31 March 2024

	Cryptocurrency business HK$'000	Equine services HK$'000	Financial services HK$'000	Properties investment HK$'000	Unallocated HK$'000	Total HK$'000
Segment assets	5,071	1,743	92,000	36,160	8,379	143,353
Segment liabilities	2,712	15,387	63,388	4,547	104,267	190,301

For the year ended 31 March 2023

	Cryptocurrency business HK$'000	Equine services HK$'000	Financial services HK$'000	Properties investment HK$'000	Total HK$'000
Segment revenue	10,552	3,766	14,304	1,651	30,273
Segment results	(65,902)	1,617	(15,479)	1,962	(77,802)
Unallocated corporate income					333
Unallocated finance costs					(15,333)
Unallocated corporate expenses					(26,657)
Loss before taxation					(119,459)

8. SEGMENT INFORMATION *(Continued)*

	Cryptocurrency business *HK$'000*	Equine services *HK$'000*	Financial services *HK$'000*	Properties investment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Impairment losses recognised in respect of						
– cryptocurrency	(25,219)	–	–	–	–	(25,219)
– property, plant and equipment	(11,296)	–	(998)	–	(1,304)	(13,598)
– right-of-use assets	–	–	(118)	–	(3,993)	(4,111)
Impairment losses under expected credit loss model, net of reversal						
– advances to customers in margin financing	–	–	(7,711)	–	–	(7,711)
– trade receivables	–	821	–	–	–	821
– loan receivables	–	–	178	–	–	178
Loss on early redemption of promissory notes	–	–	–	–	(5,678)	(5,678)
Loss on the Incident *(note 19)*	(22,412)	–	–	–	–	(22,412)
Loss on written-off of property, plant and equipment	–	–	(45)	–	–	(45)
Realised loss on derecognition of cryptocurrencies	(1)	–	–	–	–	(1)
Depreciation of						
– property, plant and equipment	(4,120)	(184)	(1,030)	–	(655)	(5,989)
– right-of-use assets	–	–	(224)	–	(1,686)	(1,910)
Finance costs	–	–	(33)	–	(15,333)	(15,366)
Fair value change of biological assets	–	(1,562)	–	–	–	(1,562)
Fair value gain on investment property	–	–	–	725	–	725
Addition to property, plant and equipment	–	–	88	–	–	88
Addition to right-of-use assets	–	–	–	–	4,958	4,958

8. SEGMENT INFORMATION *(Continued)*

As at 31 March 2023

	Cryptocurrency business *HK$'000*	Equine services *HK$'000*	Financial services *HK$'000*	Properties investment *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Segment assets	11,659	4,252	120,378	42,163	6,952	185,404
Segment liabilities	1,790	15,910	73,291	6,224	120,894	218,109

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment revenue in the year.

Information about major customers

No revenues from transactions with external customers accounted for 10% or more of the Group's total revenue for the years ended 31 March 2024 and 2023.

Geographical analysis

The geographical location of revenue is based on the location of the operations:

	2024 **HK$'000**	2023 *HK$'000*
Australia	**2,827**	5,417
Hong Kong	**28,527**	24,856
	31,354	30,273

The geographical location of non-current assets other than financial assets is based on the physical location of assets.

	2024 **HK$'000**	2023 *HK$'000*
Hong Kong	**500**	500
Australia	**36,109**	41,988
Others	**755**	1,874
	37,364	44,362

9. OTHER OPERATING INCOME

	2024	2023
	HK$'000	*HK$'000*
Bank interest	**314**	474
Sundry income	**643**	329
Imputed interest income on rental deposit	**60**	64
Government grant *(Note)*	**–**	1,027
	1,017	1,894

Note: During the year ended 31 March 2023, the Group recognised government grants of approximately HK$1,027,000 in respect of COVID-19 related subsidies provided by Hong Kong government. There were no unfulfilled conditions or contingencies relating to these government grants.

10. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

	2024	2023
	HK$'000	*HK$'000*
Impairment losses under expected credit loss model, net of reversal		
– Advances to customers in margin financing	**10,713**	(7,711)
– Trade receivables	**(502)**	821
– Loan receivables	**(133)**	178
	10,078	(6,712)

11. OTHER GAINS AND LOSSES

	2024	2023
	HK$'000	HK$'000
Impairment losses recognised in respect of:		
– Cryptocurrency	–	(25,219)
– Property, plant and equipment	–	(13,598)
– Right-of-use assets	–	(4,111)
Loss on early redemption of promissory notes	(4,460)	(5,678)
Net foreign exchange loss	(484)	(98)
Realised loss on derecognition of cryptocurrencies *(Note)*	–	(1)
Fair value (loss)/gain on investment property	(4,282)	725
Loss on written-off of property plant and equipment	(491)	(45)
Gain on disposal of property, plant and equipment	8,150	–
Loss on written-off of biological assets	(113)	–
Insurance compensation on biological asset	10,294	–
Gain on disposal of biological asset	–	56
Loss on the Incident	–	(22,412)
	8,614	(70,381)

Note: During the year ended 31 March 2023, the Group used cryptocurrency with the cost of approximately HK$1,048,000 to settle certain of its accounts payable to the service providers, amounted to approximately HK$1,047,000 in aggregate, resulting a realised loss on derecognition of cryptocurrency of approximately HK$1,000.

12. FINANCE COSTS

	2024 *HK$'000*	2023 *HK$'000*
Effective interest expense on promissory notes *(note 34)*	**16,719**	14,931
Interest on lease liabilities	**502**	435
	17,221	15,366

13. LOSS BEFORE TAXATION

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

	2024 *HK$'000*	2023 *HK$'000*
Direct costs:		
– Fee and charges of securities brokerage	**854**	1,959
– Cost of cryptocurrency sold *(note 25)*	**19,724**	10,507
Sub-total	**20,578**	12,466
Employee benefit expenses (including directors' remuneration):		
– Directors' emoluments *(note 15(a))*	**4,297**	5,394
– Other staff's salaries and other benefits	**9,562**	12,514
– Other staff's retirement benefit scheme contributions	**320**	431
Sub-total	**14,179**	18,339
Auditors' remuneration for:		
– Audit services	**900**	800
– Non-audit services	**–**	100
Sub-total	**900**	900
Depreciation of property, plant and equipment *(note 19)*	**1,652**	21,895
Less: Depreciation expense capitalised in cryptocurrency	**(1,494)**	(15,906)
	158	5,989
Depreciation of right-of-use assets *(note 20)*	**–**	1,910
Gross rental income from investment properties	**(1,622)**	(1,651)
Less:		
Direct operating expenses incurred for investment properties that generated rental income during the year	**265**	321
	(1,357)	(1,330)

14. INCOME TAX CREDIT

	2024	2023
	HK$'000	*HK$'000*
Current Tax	**635**	–
Over-provision in prior years:		
– Hong Kong Profits Tax	**–**	(2,054)
Deferred tax	**(1,285)**	217
Income tax credit	**(650)**	(1,837)

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2,000,000 are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

Taxation arising in other jurisdictions in which the Group operates is calculated on the estimated assessable profits for the year at the rates prevailing in the relevant jurisdictions.

The Group's cryptocurrency business is subject to Hong Kong Profits Tax for the years ended 31 March 2024 and 2023, of which the Group recorded a tax loss of approximately HK$2,727,000 (2023: HK$6,973,000). Accordingly, no tax expense and provision was made for the cryptocurrency business for the years ended 31 March 2024 and 2023. The tax loss is not yet agreed by the Hong Kong Inland Revenue Department up to the date of approval of the consolidated financial statements.

Income tax credit for the years can be reconciled to the loss before taxation per the consolidated statement of profit or loss as follows:

	2024	2023
	HK$'000	*HK$'000*
Loss before taxation	**(14,247)**	(119,459)
Tax credit at the Hong Kong Profits Tax rate of 16.5%	**(2,351)**	(19,711)
Tax effect of income not taxable for tax purposes	**(2,733)**	(312)
Tax effect of expenses not deductible for tax purposes	**2,048**	12,076
Tax effect of different tax rates for subsidiaries operating in other jurisdictions	**637**	323
Over-provision in prior years	**–**	(2,054)
Tax effect of tax losses not recognised	**5,734**	8,481
Utilisation of tax losses previously not recognised	**(3,985)**	(640)
Income tax credit	**(650)**	(1,837)

15. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' emoluments

The emoluments paid or payable to each director for the years ended 31 March 2024 and 2023 were as follows:

	Director fee		Salaries and other benefits		Retirement benefits scheme contributions		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Executive directors *(Note)*								
Mr. Cheng	**–**	–	**430**	430	**18**	18	**448**	448
Ms. Cheng Mei Ching	**–**	–	**1,806**	1,806	**18**	18	**1,824**	1,824
Mr. Lui Man Wah[1]	**–**	–	**859**	1,872	**8**	18	**867**	1,890
Mr. Chim Tak Lai	**–**	–	**780**	780	**18**	18	**798**	798
Mr. Choi Hon Keung[2]	**–**	–	**–**	74	**–**	–	**–**	74
	–	–	**3,875**	4,962	**62**	72	**3,937**	5,034
Independent non-executive directors								
Mr. Chan Tin Lup, Trevor	**120**	120	**–**	–	**–**	–	**120**	120
Mr. Tou Kin Chuen	**120**	120	**–**	–	**–**	–	**120**	120
Mr. Jim Ka Shun[3]	**–**	110	**–**	–	**–**	–	**–**	110
Mr. Hong Haiji[4]	**120**	10	**–**	–	**–**	–	**120**	10
	360	360	**–**	–	**–**	–	**360**	360
Total	**360**	360	**3,875**	4,962	**62**	72	**4,297**	5,394

[1] *Resigned as an executive director on 29 September 2023.*

[2] *Resigned as an executive director on 15 June 2022.*

[3] *Resigned as an independent non-executive director on 27 February 2023.*

[4] *Appointed as an independent non-executive director on 27 February 2023.*

Note: The executive directors were also the key management personnel of the Group.

15. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES *(Continued)*

(b) Five highest paid employees

Of the five individuals with the highest emoluments in the Group, three (2023: three) were directors of the Company whose emoluments are included in (a) above. The emoluments of the remaining two (2023: two) individuals were as follows:

	2024	2023
	HK$'000	*HK$'000*
Salaries and other benefit	**1,879**	1,946
Retirement benefit scheme contributions	**36**	36
	1,915	1,982

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2024	2023
Nil – HK$1,000,000	**1**	1
HK$1,000,001 – HK$1,500,000	**1**	1
	2	2

During the years ended 31 March 2024 and 2023, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group.

There was no arrangement under which the directors and five highest paid individuals waived or agreed to waive any remuneration during both years.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

16. DIVIDEND

No dividend was paid, declared or proposed by the board of directors of the Company for the year ended 31 March 2024 (2023: HK$Nil).

17. LOSS PER SHARE

The calculations of the basic and diluted loss per share attributable to owners of the Company are based on the following data:

	2024	2023
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	**(13,597)**	(117,622)

	2024	2023
	'000	*'000*
		(Restated)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	**2,316,975**	2,308,867

The weighted average number of ordinary shares for the purpose of based and diluted loss per shares for both years have been adjusted for the right issue during the year ended 31 March 2024.

No diluted loss per share for the year ended 31 March 2024 and 31 March 2023 were presented as there were no potential ordinary shares in issue.

18. INTANGIBLE ASSETS

	Trading right (Note a) HK$'000	Breeding right (Note b) HK$'000	Total HK$'000
Cost			
At 1 April 2022	500	2,513	3,013
Disposal	–	(2,293)	(2,293)
Foreign currency realignment	–	(220)	(220)
At 31 March 2023, 1 April 2023 and 31 March 2024	**500**	**–**	**500**
Accumulated amortisation and impairment loss			
At 1 April 2022	–	2,513	2,513
Disposal	–	(2,293)	(2,293)
Foreign currency realignment	–	(220)	(220)
At 31 March 2023, 1 April 2023 and 31 March 2024	**–**	**–**	**–**
Carrying amount			
At 31 March 2023 and 2024	**500**	**–**	**500**

Notes:

(a) *The Group's eligibility rights to trade on or through the Stock Exchange and the Hong Kong Futures Exchange Limited at carrying amount of HK$500,000 is considered to have indefinite useful lives, accordingly it is not amortised.*

(b) *Golden Horn (GB) – Syndicated Breeding Rights, were purchased on the 9 December 2015, at a price of GBP200,000, which amounted to approximately AUD427,000 at date of purchase. At the date of purchase the stallion was 4 years old and it was estimated that a stallion would serve until 20 years old. In prudence, the directors of the Company has estimated its useful life to be 10 years. Golden Horn (GB) was disposed by its owner during the year ended 31 March 2023 and the related syndicated breeding right was lost pursuant to the related terms of the purchase agreement of the syndicated breeding rights of Golden Horn (GB).*

Impairment testing of breeding rights

During the year ended 31 March 2023, the Group has fully impaired the carrying value of the breeding right of Golden Horn (GB) by approximately HK$312,000 as there was no breeding by the Group or sales of the breeding right entitled by the Group in the market in the recent years. The directors of the Company was of the opinion that the recoverable amounts of this breeding as at 31 March 2023 was insignificant.

19. PROPERTY, PLANT AND EQUIPMENT

	Cryptocurrency mining equipment *(Note (i))* *HK$'000*	Leasehold improvement *HK$'000*	Furniture, fixtures and office equipment *HK$'000*	Motor vehicles *HK$'000*	Yacht *HK$'000*	Total *HK$'000*
Cost						
At 1 April 2022	124,011	11,520	4,368	3,150	30,128	173,177
Additions	–	–	88	–	–	88
Written-off	–	(666)	(70)	–	–	(736)
Loss on the Incident *(Note (ii))*	(77,524)	–	–	–	–	(77,524)
Foreign currency realignment	–	–	–	(225)	–	(225)
At 31 March 2023 and 1 April 2023	**46,487**	**10,854**	**4,386**	**2,925**	**30,128**	**94,780**
Additions	**972**	**–**	**–**	**–**	**–**	**972**
Written-off *(Note (iii))*	**(46,487)**	**–**	**–**	**–**	**–**	**(46,487)**
Disposal	**–**	**–**	**–**	**–**	**(30,128)**	**(30,128)**
Foreign currency realignment	**–**	**–**	**–**	**(55)**	**–**	**(55)**
At 31 March 2024	**972**	**10,854**	**4,386**	**2,870**	**–**	**19,082**
Accumulated depreciation and impairment loss						
At 1 April 2022	68,404	8,148	3,796	2,888	30,128	113,364
Charge for the year	20,025	1,478	207	185	–	21,895
Written-off	–	(639)	(52)	–	–	(691)
Loss on the Incident *(Note (ii))*	(55,112)	–	–	–	–	(55,112)
Foreign currency realignment	–	–	–	(201)	–	(201)
Impairment loss recognised during the year	11,296	1,867	435	–	–	13,598
At 31 March 2023 and 1 April 2023	**44,613**	**10,854**	**4,386**	**2,872**	**30,128**	**92,853**
Charge for the year	**1,600**	**–**	**–**	**52**	**–**	**1,652**
Written-off *(Note (iii))*	**(45,996)**	**–**	**–**	**–**	**–**	**(45,996)**
Disposal	**–**	**–**	**–**	**–**	**(30,128)**	**(30,128)**
Foreign currency realignment	**–**	**–**	**–**	**(54)**	**–**	**(54)**
At 31 March 2024	**217**	**10,854**	**4,386**	**2,870**	**–**	**18,327**
Carrying amount						
At 31 March 2024	**755**	**–**	**–**	**–**	**–**	**755**
At 31 March 2023	1,874	–	–	53	–	1,927

19. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Notes:

(i) As at 31 March 2023, cryptocurrency mining equipment with carrying amount of approximately HK$562,000 has not put into operation and pending to relocate to operation facility or under operation planning. During the year ended 31 March 2024, all cryptocurrency mining equipment was moved to Kazakhstan and has been put into operation.

*(ii) During the year ended 31 March 2023, the Group has been informed by one of the former service provider that certain cryptocurrency mining equipment belonging to the Group and kept by that service provider has been stolen (the "**Incident**"). Details of the Incident were set out in the Company's announcement dated 9 December 2022. The Group had informed the relevant Kazakhstan law enforcement unit in December 2022 for the Incident. The related Kazakhstan law enforcement unit has completed the investigation of the Incident and is in the process of executing prosecution to the offender who has left Kazakhstan as reported by the Kazakhstan law enforcement unit. In preparing the consolidated financial statements of the Group, the directors of the Company have also sought legal opinions from a Kazakhstan legal advocate regarding the Incident (the "**Legal Opinions**"). According to the Legal Opinions, the Kazakhstan legal advocate is of the opinion that with reference to the Kazakhstan law enforcement unit, there is no information available for the whereabout of the stolen cryptocurrency mining equipment and their current conditions. It is highly uncertain for the Group to recover the stolen cryptocurrency mining equipment up to the date of the approval and authorisation to issue of the consolidated financial statements. Having considered the Legal Opinions, the directors of the Company have recognised a loss from the Incident of approximately HK$22,412,000 during the year ended 31 March 2023.*

(iii) As set out in the Company's announcement dated 28 March 2024, the Group would cease the cryptocurrency mining activities in Kazakhstan and as a result the related fully depreciated cryptocurrency mining equipment which were written off.

Impairment assessment

At the end of the reporting period, the directors of the Company reviewed the carrying amounts of its property, plant and equipment including the cryptocurrency mining equipment to determine whether there was any indication that those assets had suffered an impairment loss. The management of the Group has engaged a firm of independent professional valuers, to perform valuations on the cryptocurrency mining equipment as at 31 March 2023. The valuers have adopted the market approach to perform the valuation which was based on the recent market prices of the cryptocurrency mining equipment and made adjustments in respect of, among others, the hash rate and depreciation to align with the Group's cryptocurrency mining equipment. The Group's impairment assessment on cryptocurrency mining equipment and the recognition of the impairment loss was made based on the valuation report prepared by the independent professional valuers. The adjusted market value used ranged from RMB1,261 to RMB5,585 per equipment. The fair value measurement is categorised into Level 3 fair value hierarchy. The relevant assets were impaired to their recoverable amount of approximately HK$1,874,000 which were their carrying values at 31 March 2023 and impairment loss of approximately HK$11,296,000 was recognised in consolidated profit or loss during the year ended 31 March 2023.

19. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Impairment assessment *(Continued)*

In addition, due to continued losses for different segments of the group, the Group conducted impairment assessment on 31 March 2023 to compare the carrying amount of the corporate assets including leasehold improvement, furniture, fixtures and office equipment and right-of-use assets of approximately HK$1,867,000, HK$435,000 and HK$4,111,000 to its recoverable amount. The recoverable amount has been determined based on its value-in-use. The Group determined there will be no recoverable amount for the corporate assets and recongised impairment loss on leasehold improvement, furniture, fixtures and office equipment and right-of-use assets of approximately HK$1,867,000, HK$435,000 and HK$4,111,000 for the year ended 31 March 2023.

20. RIGHT-OF-USE ASSETS

	Leased properties *HK$'000*
At 1 April 2022	
Carrying amount	1,063
Additions	4,958
Depreciation charge for the year	(1,910)
Impairment loss recognised during the year *(note 11)*	(4,111)
At 31 March 2023 and 31 March 2024	
Carrying amount	–

	2024 ***HK$'000***	2023 *HK$'000*
Total cash outflows for leases	**2,304**	1,897

For both years, the Group leases office for its operations. Lease contracts are entered into for fixed term of 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

As at 31 March 2024 and 2023, the Group did not enter into new leases that have not yet commenced.

21. INVESTMENT PROPERTIES

The Group leased out certain land and farm in Australia under operating leases with lease term until 2026. The lease with rentals receivable of approximately HK$1,633,000 (2023: HK$1,651,000) per annum is leased to a party which to the directors of the Company's best knowledge, information, belief and having made all reasonable enquires, was an independent third party to the Group.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities which contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

	HK$'000
At 1 April 2022	45,464
Fair value gain	725
Foreign currency realignment	(4,838)
At 31 March 2023 and 1 April 2023	**41,351**
Fair value loss	**(4,282)**
Foreign currency realignment	**(1,165)**
At 31 March 2024	**35,904**

The Group's investment properties are situated on freehold land and located in Australia.

	Fair value measurement categorised into			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
At 31 March 2024				
Recurring fair value measurement				
Investment properties located outside Hong Kong	**–**	**–**	**35,904**	**35,904**
At 31 March 2023				
Recurring fair value measurement				
Investment properties located outside Hong Kong	–	–	41,351	41,351

21. INVESTMENT PROPERTIES *(Continued)*

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

The fair values of the Group's investment properties as at 31 March 2024 and 2023 have been arrived at on the basis of a valuation carried out by Sutherland Farrelly Pty Ltd, who are members of Certified Practising Valuer and Certified Estate Agent member of the Real Estate of Victoria and a firm of independent qualified professional valuers not connected to the Group. The directors of the Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

At the end of the reporting period, the directors of the Company discussed with the independent qualified professional valuers about the appropriate valuation techniques and key inputs for Level 3 fair value measurements.

The fair value of the investment properties was determined at the end of each reporting period based on direct comparison method. Direct comparison method assumes the property is capable of being sold in its existing state with the benefit of vacant possession which include farm & vet equipment and by making reference to comparable property sales evidence as available in the relevant markets on a price per hectare basis. There has been no change from the valuation technique used in the prior year.

Investment properties held by the Group	Fair value 2024	2023	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Sensitivity
	HK$000	*HK$000*				
Investment properties						
– Farmland and farm & vet equipment	**35,904**	41,351	Level 3	Direct comparison approach	Market price of AUD31,500/ hectare (2023: AUD36,000/ hectare)	The higher market price, the higher fair value, and vice versa

22. OTHER ASSETS

	2024	2023
	HK$'000	*HK$'000*
At cost:		
The Stock Exchange of Hong Kong Limited		
Compensation fund deposit for trading right	**50**	50
Fidelity fund deposit	**50**	50
Stamp duty deposit	**75**	75
Hong Kong Securities Clearing Company Limited (HKSCC)		
Guarantee Fund	**50**	50
Direct clearing participant deposit – admission fee	**50**	50
	275	275

23. BIOLOGICAL ASSETS

The Group is holding quality stallions and provides horse breeding services. The quantity and value of stallions owned by the Group at the end of the reporting period are shown below.

	2024		2023	
	No. of horses	***HK$'000***	*No. of horses*	*HK$'000*
Non-current assets				
Stallions	**2**	**205**	7	584

Stallions represent adult male horses that have not been castrated and are held for breeding purpose. Stallions are classified as non-current assets as the Group has no intention to sell these stallions in the foreseeable future.

23. BIOLOGICAL ASSETS *(Continued)*

	2024	2023
	Stallions	Stallions
	HK$'000	*HK$'000*
At the beginning of the reporting period at fair value	**584**	2,388
Write-off	**(113)**	–
Disposal	**–**	(21)
Fair value change	**(251)**	(1,562)
Foreign currency realignment	**(15)**	(221)
At the end of reporting period at fair value	**205**	584

Financial risk management strategies

The biological assets are exposed to domestic, disease and other nature risks, the Group engages an external veterinarian hospital to provide professional veterinarian services to the Group's biological assets to minimise the risk and take care on the health of horses. Depending on the emergency, the veterinarian arrives at the farm around 10–45 minutes, or delivery to veterinarian hospital within 15–30 minutes.

The biological insurance coverage for 2 stallions (2023: 7 stallions), for the year is approximately AUD54,500 (2023: AUD4,145,000), which is covered 136% (2023: 3,734%) of their book values.

In the opinion of directors, the above policies are effective and sufficient against the financial risk arising from biological assets. There is no restriction on the title of biological assets owned by the Group and there is no commitment for acquisition of additional biological assets at the end of reporting period. The directors of the Company is regularly reviewing the portfolio of biological assets to maximise the return. The fair value of the biological assets measured at the reporting date on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The biological assets of the Group are classified as level 3 under the fair value hierarchy. During the years ended 31 March 2024 and 2023, there were no transfers between Levels 1 and 2, or transfers into or out of Level 3.

The level into which a fair value measurement classified is determined with reference to the observability and significance of the inputs used in the valuation technique, which are set out below:

23. BIOLOGICAL ASSETS *(Continued)*

Stallions

The fair value of each stallions was individually determined at the end of each reporting period based on an income approach and used cash flow projections based on historical service fees income of the stallions and also takes into account the stallion's prior activity and its useful live and average live foal ratio. The directors of the Company with reliance on the valuation performed by an independent professional valuer depending on the age of the stallions and pre-tax discount rate of 51.4% (2023: 48.06%) per annum.

Average live foal ratio is considered as significant unobservable input for both year ended 31 March 2024 and 2023.

24. LOAN RECEIVABLES

The exposure of the Group's loan receivables, net of impairment, to their contractual maturity dates are as follows:

	2024	2023
	HK$'000	*HK$'000*
Within one year	**49**	305

The grants of these loans were approved and monitored by the directors of the Company.

All loan receivables are denominated in HK$. The loan receivables carry effective interest ranging from 24% to 48% per annum (2023: 24% to 48% per annum).

The carrying amount of loan receivables as at 31 March 2024 is arrived at after deducting accumulated impairment losses of approximately HK$16,097,000 (2023: HK$15,964,000).

As at 31 March 2023, included in the Group's loan receivables balance are debtors with aggregate carrying amount of which HK$97,000 has been past due more than 30 days but less than 90 days. In the event that an instalment repayment of a loan receivable is past due, the entire outstanding balances of the loan receivables are deemed as past due.

24. LOAN RECEIVABLES *(Continued)*

The following table shows the movement in allowance for credit losses that has been recognised for loan receivables.

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2022	44	321	15,840	16,205
Movement during the year	78	(287)	31	(178)
Transfer	(1)	(2)	3	–
Written off	–	–	(63)	(63)
At 31 March 2023 and 1 April 2023	**121**	**32**	**15,811**	**15,964**
Movement during the year	**20**	**–**	**113**	**133**
Transfer	**(141)**	**(32)**	**173**	**–**
At 31 March 2024	**–**	**–**	**16,097**	**16,097**

As at 31 March 2024, the Group had loan and interest receivables from a customer ("**Borrower A**") with gross carrying amount of approximately HK$15,790,000 (2023: HK$15,790,000) and loss allowance of approximately HK$15,790,000 (2023: HK$15,790,000). The overdue interest bearing at 2% per annual. The amount is secured by share charges, interest bearing at 24% per annual and repayable by monthly installment, until the final maturity date, 18 January 2024. The installment amount was overdue as at 31 March 2024 and 2023.

24. LOAN RECEIVABLES *(Continued)*

The Group writes off loan receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the loan receivables are over two years past due, whichever occurs earlier.

	2024	2023
	HK$'000	*HK$'000*
Analysis of loan receivables by types of collateral:		
Unsecured	**49**	305

25. CRYPTOCURRENCIES

	Total
	HK$'000
At 1 April 2022	20,542
Additions	21,425
Disposal	(10,507)
Derecognised for settlement of payable *(note 11)*	(1,048)
Impairment loss	(25,219)
At 31 March 2023 and 1 April 2023	5,193
Additions	**15,817**
Disposal	**(19,724)**
At 31 March 2024	**1,286**

25. CRYPTOCURRENCIES *(Continued)*

At 31 March 2024, the Group held cryptocurrencies with carrying amount of approximately HK$1,286,000 (2023: HK$5,193,000). The breakdown of which can be seen below:

	2024		2023	
	Coins	**Total**	Coins	Total
		HK$'000		*HK$'000*
Bitcoins	**3.54**	**1,265**	22.50	5,027
Tether (USDT)	**2,609.96**	**21**	29,932.11	166
Total		**1,286**		5,193

The cryptocurrencies are traded in active markets (such as trading and exchange platforms) and their net realisable values are determined based on their fair values using their quoted market prices at the end of the reporting period. For the purpose of estimating the selling price, the relevant available markets are identified by the Group, and then the Group considers accessibility to, and activity within those markets in order to identify the principal cryptocurrency markets for the Group. For this purpose, a market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis. As at 31 March 2023, impairment loss of approximately HK$25,219,000 was recognised in respect of the cryptocurrencies held by the Group as at that date because of the decrease in market value of cryptocurrencies up to 31 March 2023. No impairment loss recognised for the year ended 31 March 2024.

Further to note 11 to the consolidated financial statements, the fees in relation to cryptocurrency miner operating services by the service providers are calculated at the rate ranged from HK$0.43 to HK$0.55 (2023: HK$0.42 to HK$0.52) per kilowatt hour for the year ended 31 March 2024.

26. TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**1,174**	1,905
Less: allowance for expected credit losses	**(1,076)**	(1,735)
	98	170
Accounts receivables from brokers, dealers and clearing house	**361**	5,254
	459	5,424

Accounts receivables from brokers, dealers and clearing house are due and settled on two business days after the trade date and denominated in HK$. Therefore, no aging analysis is disclosed.

The following is an aging analysis of trade receivables (excluding accounts receivables from brokers, dealers and clearing house) net of allowance for expected credit losses, presented based on invoice date, at the end of the reporting period:

	2024	2023
	HK$'000	*HK$'000*
Over 90 days	**98**	170

The average credit period on the trade receivables is 30 days. The carrying amounts of the trade receivables are mainly denominated in HK$ and AUD. There were no trade receivables that was past due but not impaired as at 31 March 2024 and 2023.

26. TRADE RECEIVABLES *(Continued)*

The following table shows the movement in allowance for credit losses that has been recognised for trade receivables under the simplified approach:

	Lifetime ECL (not credit-impaired) *HK$'000*	Lifetime ECL (credit-impaired) *HK$'000*	Total *HK$'000*
As at 1 April 2022	88	3,997	4,085
Movement during the year	607	(1,428)	(821)
Transfer	(82)	82	–
Written-off	–	(1,137)	(1,137)
Foreign currency realignment	(17)	(375)	(392)
As at 31 March 2023 and 1 April 2023	**596**	**1,139**	**1,735**
Movement during the year	**336**	**166**	**502**
Transfer	**(582)**	**582**	**–**
Written-off	**–**	**(1,117)**	**(1,117)**
Foreign currency realignment	**(12)**	**(32)**	**(44)**
As at 31 March 2024	**338**	**738**	**1,076**

27. ADVANCES TO CUSTOMERS IN MARGIN FINANCING

	2024 ***HK$'000***	2023 *HK$'000*
Advances to margin customers	**13,829**	28,124
Less: allowance for expected credit losses	**(7,477)**	(17,970)
	6,352	10,154

The credit facility limits to margin customers are determined by reference to the discounted market value of the collateral securities accepted by the Group.

All advances to margin customers are denominated in HK$. The advances to customers in margin financing carry effective interest ranging from HK$ Prime Rates ("**P**") to P+31% per annum (2023: P to P+31% per annum).

The advances to margin customers are secured by the underlying pledged securities and interest bearing. The Group maintains a list of approved stocks for margin financing at a specified loan to collateral ratio. Any excess in the lending ratio will trigger a margin call which the customers have to make good the shortfall.

27. ADVANCES TO CUSTOMERS IN MARGIN FINANCING *(Continued)*

As at 31 March 2024, advances to customers of aggregate gross carrying amount of approximately HK$13,829,000 (2023: HK$28,124,000) were secured by securities pledged by the customers to the Group as collateral with undiscounted market value of approximately HK$47,598,000 (2023: HK$71,826,000).

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2022	64	4,176	6,019	10,259
Movement during the year	61	(4,158)	11,808	7,711
At 31 March 2023 and 1 April 2023	**125**	**18**	**17,827**	**17,970**
Movement during the year	**(125)**	**(18)**	**(10,570)**	**(10,713)**
Unwinding of discount	**–**	**–**	**220**	**220**
At 31 March 2024	**–**	**–**	**7,477**	**7,477**

The decrease in the loss allowance for advances to customers in margin financing as at 31 March 2024 were as a result of settlement of advance to customers in margin financing.

The increase in the loss allowance for underperforming and not performing advances to customers in margin financing as at 31 March 2023 were as a result of fluctuation in stock market which causing the increase in loan-to-collateral value and values of collateral fell short from margin clients.

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Prepayments	**682**	1,383
Deposits *(Note (i))*	**2,561**	917
Other receivables *(Note (ii))*	**1,898**	190
	5,141	2,490

Notes:

(i) At 31 March 2024, amount of approximately HK$1,924,000 represented deposit paid to the service providers (2023: HK$358,000).

(ii) At 31 March 2023, the amount included proceeds from disposal of biological assets of approximately HK$19,000.

28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES *(Continued)*

Analysed for reporting purpose as:

	2024	2023
	HK$'000	*HK$'000*
Non-current	**447**	39
Current	**4,694**	2,451
	5,141	2,490

29. CASH AND CASH EQUIVALENTS

The carrying amounts of the Group's bank balances and cash are denominated in the following currencies:

	2024	2023
	HK$'000	*HK$'000*
HK$	**37,746**	49,086
AUD	**383**	7,649
US$	**9,038**	9,068
Renminbi ("**RMB**")	**74**	79
British Pound ("**GBP**")	**49**	48
Others	**310**	319
	47,600	66,249

Bank balances carry interest at floating rates and placed with creditworthy banks and financial institution with no recent history of default.

RMB is not a freely convertible currency in the PRC and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group's cash and cash equivalents denominated in RMB are located in Hong Kong which are not subject to the foreign exchange control.

30. CASH HELD ON BEHALF OF CUSTOMERS

The Group maintains segregated trust accounts with authorised institutions to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as cash held on behalf of customers under the current assets section of the consolidated statement of financial position and recognised the corresponding accounts payable *(note 31)* to respective clients on the grounds that it is liable for any loss or misappropriation of clients' monies. The cash held on behalf of customers is restricted and governed by the Securities and Futures (Client Money) Rules under the Securities and Futures Ordinance.

	2024	2023
	HK$'000	*HK$'000*
Cash held on behalf of customers		
– HK$	**44,680**	50,904
– RMB	**28**	29
– US$	**119**	19
	44,827	50,952

31. TRADE PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables	**3,194**	3,126
Accounts payables to clients and clearing house	**44,700**	54,342
	47,894	57,468

Majority of the accounts payables to clients are repayable on demand except where certain accounts payables to clients represent deposits received from clients for their securities trading activities under normal course of business. Only the excess amounts over the required margin deposits are repayable on demand.

Accounts payables to clients and clearing house include those payables placed in trust accounts with authorised institutions of approximately HK$44,837,000 (2023: HK$50,952,000) and placed in securities and futures dealers of approximately HK$Nil (2023: HK$2,395,000). Amount due to clearing house of approximately HK$3,405,000 (2023: HK$3,769,000) has been offset against a corresponding amount due from the clearing house.

31. TRADE PAYABLES *(Continued)*

No aging analysis for accounts payables to clients and clearing house is disclosed as in the opinion of the directors of the Company, the aging analysis does not give additional value in view of the nature of the business.

The Group has a practice to satisfy all the requests for payments immediately within the credit period.

All the trade payables are non-interest bearing.

The following is an aging analysis of trade payables (excluding accounts payables to clients and clearing house), presented based on invoice date, at the end of reporting period:

	2024	2023
	HK$'000	*HK$'000*
Within 30 days	**371**	1,548
31–90 days	**2**	1,513
91–120 days	**–**	65
more than 120 days	**2,821**	–
	3,194	3,126

The average credit period on trade payables is 90 days (2023: 90 days). The Group has financial risk management policies in place to ensure all payables are settled within the credit period.

Included in accounts payables were with related parties:

	2024	2023
Directors of the Company	**134**	1,311
Close family member of directors of the Company	**1,526**	1,521
Companies which are beneficially owned and controlled by Mr. Cheung	**13**	52
	1,673	2,884

32. ACCRUALS AND OTHER PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Accruals	**13,625**	15,686
Other payables	**3,727**	2,446
Provision for litigation claims *(Note)*	**14,533**	14,533
Provision for long service payment and annual leave	**1,268**	1,305
	33,153	33,970

Note:

*On 30 July 2021, the Group was served with a writ of summon issued by the Court of First Instance of the High Court of Hong Kong (the "**High Court**") and a statement of claim, pursuant to which the relevant plaintiff alleges, amongst others, the staff of Imperium International Securities Limited ("**Imperium Securities**") has not followed their instructions relating to a share transfer transaction of shares of a listed company processed by Imperium Securities and the plaintiff claims a sum of approximately HK$10,574,000 for the damages.*

On 25 May 2022, the Group was served with another writ of summon issued by the High Court and a statement of claim, pursuant to which the relevant plaintiff alleges, amongst others, the staff of Imperium Securities has not followed their instructions relating to a share transfer transaction of shares of a listed company processed by Imperium Securities and the plaintiff claims a sum of approximately HK$3,959,000 for the damages.

Up to the date of the approval and authorisation to issue of the consolidated financial statements, these litigations were still in progress. The directors of the Company have sought legal advise and considers to make a full provision for these litigation claims for the years ended 31 March 2024 and 2023.

33. AMOUNTS DUE TO RELATED COMPANIES

The relationship with related parties are as follows:

	2024	2023
	HK$'000	*HK$'000*
Amounts due to companies which are beneficially owned and controlled by Mr. Cheng	**601**	589

These amounts due are unsecured, non-interest bearing and repayable on demand.

34. PROMISSORY NOTES

	2024	2023
	HK$'000	*HK$'000*
At the beginning of the reporting period	**115,523**	167,382
Effective interest *(note 12)*	**16,719**	14,931
Gain on modification of terms	**–**	(19,468)
Early redemption	**(36,000)**	(53,000)
Loss on early redemption *(note 11)*	**4,460**	5,678
At the end of the reporting period	**100,702**	115,523

The promissory notes are repayable as follows:

	2024	2023
	HK$'000	*HK$'000*
Within one year	**100,702**	–
In the second to third year	**–**	115,523
	100,702	115,523

On 31 January 2018, the Company issued promissory notes in aggregate principal amount of HK$378,000,000 to the vendors, which are related companies wholly-owned by Mr. Cheng (the "**Notes**"), as consideration for the acquisition of Imperium Financial Limited ("**Imperium Financial**"). The Notes bear interest at 7% per annum and with maturity date on 31 January 2021, and freely transferable and assignable by the Company with five business days prior notice in writing. The principal amount of the Notes finally issued was HK$378,000,000 as at the issue date and their fair value at initial recognition were determined by the directors of the Company by using the discounted cash flow approach. The Notes are carried at the amortised cost until settlement on the due date.

On 28 November 2018, the Company early redeemed a partial portion of the Notes of the carrying amount of approximately HK$24,696,000 by repayment of the principal amount of HK$25,000,000.

During the year ended 31 March 2020, partial portion of the Notes of aggregate principal amount of approximately HK$106,233,000, which had aggregate carrying amount of approximately HK$103,716,000, was set off against (1) the consideration of the disposal of a loan receivable and relevant interest receivable of the Group to Mr. Cheng; (2) the subscription monies in relation to the subscription of the Company's shares; and (3) the amount due from Imperium Kingdom Pty Ltd ("**Imperium Kingdom**") by the Group. The maturity date of the remaining Notes with aggregate principal amount of approximately HK$246,767,000 was extended to 31 January 2023 and the related interest accrued and to be accrued up to the extended maturity date were waived (the "**2020 Modification**"). The remaining Notes is carried at amortised cost until settlement on the extended due date and the effective interest rate of the promissory notes after the 2020 modification was 11.04% per annum. During the year ended 31 March 2021, the Company early redeemed a partial portion of the Notes with the carrying amount of approximately HK$39,819,000 by repayment of the principal amount of HK$50,000,000.

34. PROMISSORY NOTES *(Continued)*

During the year ended 31 March 2022, the Company entered into supplemental agreements pursuant to which the maturity dates of the Notes be extended to 31 January 2024 and effective from 1 February 2023 the coupon interest change to 2% per annum. Upon the modification, the Notes carried effective interest rate of 10.38% and a gain on the modification of terms of the Notes of approximately HK$12,852,000 was recognised in the capital contribution reserve as it is deemed as the capital contribution from the Company's ultimate controlling shareholders.

During the year ended 31 March 2023, the Company early redeemed a partial portion of the Notes with carrying amount of approximately HK$47,322,000 by repayment of the principal amount of HK$53,000,000.

As at 31 March 2023, the Company entered into an supplemental agreement with the noteholder pursuant to which the maturity dates of the Notes be extended to 31 January 2025 and the coupon interest was changed from 2% per annum to 3% per annum from 1 April 2023. Upon the modification, the Notes carried effective interest rate of 16.21% and a gain on the modification of terms of the Notes of approximately HK$19,468,000 was recognised in the capital contribution reserve as it is deemed as the capital contribution from the Company's ultimate controlling shareholders.

During the year ended 31 March 2024, the Company early redeemed a partial portion of the Notes with carrying amount of approximately of HK$31,540,000 by repayment of the principal amount of HK$36,000,000.

35. DEFERRED TAX LIABILITIES

The followings are the deferred tax balances recognised in the consolidated statement of financial position and the movements thereon during the current and prior years:

	Fair value adjustment on investment properties *HK$'000*
At 1 April 2022	6,281
Charged to income tax expense	217
Foreign currency realignment	(671)
At 31 March 2023 and 1 April 2023	**5,827**
Charged to income tax expense	**(1,285)**
Foreign currency realignment	**(158)**
At 31 March 2024	**4,384**

At 31 March 2024, the Group has estimated unused tax losses of approximately HK$408,563,000 (2023: HK$397,962,000) available for offset against future profits. No deferred tax assets have been recognised in the consolidated financial statements due to the unpredictability of future profit streams. The losses may be carried forward indefinitely.

36. LEASE LIABILITIES

	2024 *HK$'000*	2023 *HK$'000*
Lease liabilities payable:		
– within one year	**2,771**	1,802
– more than one year but not more than two years	**–**	1,901
– more than two years but not more than five years	**–**	870
	2,771	4,573
Present value of lease liabilities	**2,771**	4,573
Less: Amount due from settlement within 12 months shown under current liabilities	**(2,771)**	(1,802)
Amount due for settlement after 12 months shown under non-current liabilities	**–**	2,771

Lease liabilities are denominated in HK$.

37. SHARE CAPITAL

	2024		2023	
	No. of shares	**Amount**	No. of shares	Amount
	'000	***HK$'000***	*'000*	*HK$'000*
Ordinary shares of HK$0.04 each				
Authorised:				
At the beginning and the end of the reporting period	**40,000,000**	**1,600,000**	40,000,000	1,600,000
Issued and fully paid:				
At the beginning of the reporting period	**2,284,255**	**91,370**	2,284,255	91,370
Right issue of shares *(Note)*	**49,761**	**1,991**	–	–
At the end of the reporting period	**2,334,016**	**93,361**	2,284,255	91,370

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Note: A rights issue of one rights share for every two existing shares held by members on the register of members on 1 February 2024 was made, at an issue price of HK$0.04 per rights share, resulting in the issue of 47,761,450 shares for a total cash consideration, before expenses, of HK$1,911,000. 2,000,000 unsubscribed right shares were successfully placed at the price of HK0.04 per share, total cash consideration, before expenses of HK$80,000. Details of these transaction were set out in the Company's announcements dated 8 December 2023, 8 January 2024, 25 January 2024 and 31 January 2024.

38. EVENTS AFTER REPORTING PERIOD

Saved as disclosed elsewhere in the consolidated financial statements, the Group had the following events after reporting period:

(i) On 22 April 2024, all conditions precedent under the subscription agreement dated 22 December 2023 and entered into between the Infinity Technology International Limited, a company incorporated in Hong Kong with limited liability ("**Target Company**") and the Fuxi Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company (the "Subscriber"), as subscriber for the subscription of the subscription shares ("**Subscription Agreement**") have been fulfilled and completion of the subscription agreement took place.

Upon completion of the major transaction, the Company has become indirectly interested in approximately 51% of the total issued share capital of the Target Company as enlarged by the allotment and issue of the 10,400 new shares of the Target Company to be subscribed by the Subscriber under the Subscription Agreement and the Target Company is accounted for as a subsidiary of the Company. Accordingly, the financial results of the Target Company will be consolidated into the financial statements of the Group. The Company has also appointed three directors, including Mr. Chim Tak Lai, to the board of directors of the Target Company to control the board of directors of the Target Company.

Details of these transactions were set out in the Company's announcements dated 22 December 2023, 17 January 2024, 19 January 2024, 21 February 2024, 22 February 2024, 28 March 2024, 3 April 2024 and 22 April 2024 and the circular of the Company dated 22 April 2024.

(ii) On 14 May 2024, the Group has received an indicative offer from the lessee of the investment properties of the Group consisting of certain land and farm in Australia to acquire the investment properties from the Group at the consideration of AUD7,000,000 plus any applicable goods and services tax on a walk-in walk-out basis. Details were set out in the Company's announcements dated 16 May 2024.

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES OFFSETTING

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's consolidated statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

Under the agreement of continuous net settlement made between the Group and Hong Kong Securities Clearing Company Limited ("**HKSCC**"), and brokers, the Group has a legally enforceable right to set off the money obligation receivable and payable with HKSCC and brokers on the same settlement date and the Group intends to set off these balances on a net basis.

In addition, the Group has a legally enforceable right to set off the accounts receivable and payable with brokerage clients that are due to be settled on the same date and the Group intends to settle these balances on a net basis.

Except for balances which are due to be settled on the same date which are being offset, amounts due from/to HKSCC, brokers and brokerage clients that are not to be settled on the same date, financial collateral including cash and securities received by the Group, deposits placed with HKSCC and brokers do not meet the criteria for offsetting in the consolidated statement of financial position since the right of set-off of the recognised amounts is only enforceable following an event of default.

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES OFFSETTING *(Continued)*

As at 31 March 2024

	Gross amounts of recognised financial assets/ liabilities after impairment *HK$'000*	Gross amounts of recognised financial assets/ liabilities set off in the consolidated statement of financial position *HK$'000*	Net amounts of financial assets/liabilities presented in the consolidated statement of financial position *HK$'000*
Financial assets			
Advances to margin customers in margin financing	6,352	–	6,352
Accounts receivables from:			
– Securities and futures dealers	78	–	78
– Clearing house	3,688	(3,405)	283
	10,118	(3,405)	6,713
Financial liabilities			
Accounts payables to:			
– Securities – cash clients	8,579	–	8,579
– Securities – margin clients	36,121	–	36,121
– Clearing house	3,405	(3,405)	–
	48,105	(3,405)	44,700

39. FINANCIAL ASSETS AND FINANCIAL LIABILITIES OFFSETTING *(Continued)*

As at 31 March 2023

	Gross amounts of recognised financial assets/ liabilities after impairment *HK$'000*	Gross amounts of recognised financial assets/ liabilities set off in the consolidated statement of financial position *HK$'000*	Net amounts of financial assets/ liabilities presented in the consolidated statement of financial position *HK$'000*
Financial assets			
Advances to margin customers in margin financing	10,174	(20)	10,154
Accounts receivables from:			
– Securities and futures dealers	2,683	–	2,683
– Funds and bonds dealers	8	–	8
– Clearing house	6,332	(3,769)	2,563
	19,197	(3,789)	15,408
Financial liabilities			
Accounts payables to:			
– Securities – cash clients	8,247	–	8,247
– Securities – margin clients	43,694	(20)	43,674
– Futures clients	2,421	–	2,421
– Clearing house	3,769	(3,769)	–
	58,131	(3,789)	54,342

40. OPERATING LEASE ARRANGEMENTS

The Group as lessor

Investment properties held by the Group in Australia for rental purposes have committed lessee for the next 2 years (2023: 3 years).

Undiscounted lease payments receivable on the lease are as follows:

	2024	2023
	HK$'000	*HK$'000*
Within one year	**1,633**	1,651
In the second year	**1,633**	1,651
In the third year	**–**	1,651
	3,266	4,953

41. MATERIAL RELATED PARTY TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(a) The name of and the relationship with related parties are as follows:

Name	Relationship
Mr. Cheng	Executive director and ultimate controlling shareholder of the Company
Mr. Lui Man Wah ("**Mr Lui**")	Former executive director of the Company (Resigned on 29 September 2023)

(b) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions and balances with related parties during the year:

	2024	2023
	HK$'000	*HK$'000*
Included in revenue		
– Equine related income (service fee) from related companies which are beneficially owned and controlled by Mr. Cheng *(Note 1)*	**–**	277
– Asset management fee income received from a related Company which are benefically owned and controlled by Mr. Cheng *(Note 2)*	**25**	60
– Fees and commission income received from Mr. Cheng *(Note 3)*	**13**	75
– Fees and commission income received from Mr. Lui *(Note 4)*	**2**	92
– Fees and commission income received from related companies which are beneficially owned and controlled by Mr. Cheng *(Note 5)*	**526**	60
– Margin interest income received from Mr. Lui *(Notes 6)*	**–**	362
– Margin interest income received from related companies which are benefically owned and controlled by Mr. Cheng *(Note 7)*	**2**	–
Included in finance cost		
– Interest expenses on the Notes *(Note 8)*	**16,719**	14,931
Included in other gains and losses		
– Loss on early redemption for the Notes *(note 11 and 34)*	**4,460**	5,678

41. MATERIAL RELATED PARTY TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(b) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions and balances with related parties during the year: *(Continued)*

Notes:

1. *During the year ended 31 March 2024, the provision of service to related companies which are beneficially owned and controlled by Mr. Cheng constitutes connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As all the percentage ratios (other than the profit ratio) are less than 5% and the total consideration is less than HK$1,000,000, the connected transaction is exempted from the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.*

2. *During the year ended 31 March 2024, the provision of service to a company beneficially owned and controlled by Mr. Cheng. It constitutes connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As all the percentage ratios (other than the profit ratio) are less than 5% and the total consideration is less than HK$1,000,000, the connected transaction is exempted from the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.*

3. *During the year ended 31 March 2024, the provision of service to Mr. Cheng constitutes connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As all the percentage ratios (other than the profit ratio) are less than 5% and the total consideration is less than HK$1,000,000, the connected transaction is exempted from the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.*

4. *During the year ended 31 March 2024, the provision of service to Mr. Lui constitutes connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As all the percentage ratios (other than the profit ratio) are less than 5% and the total consideration is less than HK$1,000,000, the connected transaction is exempted from the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.*

41. MATERIAL RELATED PARTY TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(b) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions and balances with related parties during the year: *(Continued)*

Notes: (Continued)

5. *During the year ended 31 March 2024, the provision of service to related companies beneficially owned and controlled by Mr. Cheng constitutes connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As all the percentage ratios (other than the profit ratio) are less than 5% and the total consideration is less than HK$1,000,000, the connected transaction is exempted from the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.*

6. *During the year ended 31 March 2024, the provision of service to Mr. Lui constitutes connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As all the percentage ratios (other than the profit ratio) are less than 5% and the total consideration is less than HK$1,000,000, the connected transaction is exempted from the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.*

7. *During the year ended 31 March 2024, the provision of service to related companies which are beneficially owned and controlled by Mr. Cheng. It constitutes connected transaction on the part of the Company under Chapter 20 of the GEM Listing Rules. As all the percentage ratios (other than the profit ratio) are less than 5% and the total consideration is less than HK$1,000,000, the connected transaction is exempted from the reporting, announcement, annual review, circular and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.*

41. MATERIAL RELATED PARTY TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS *(Continued)*

(b) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions and balances with related parties during the year: *(Continued)*

Notes: (Continued)

8. The holders of the Notes are Eminent Crest Holdings Limited and Peak Stand Holdings Limited which are beneficially owned and controlled by Mr. Cheng.

The Notes were issued by the Company as the consideration for the acquisition of the entire issued share capital of Imperium Financial, which constitutes a very substantial acquisition and connected transaction on the part of the Company under Chapter 19 and Chapter 20 of the GEM Listing Rules, and was approved by the independent shareholders of the Company at the extraordinary general meeting of the Company held on 12 January 2018. Details of which were disclosed in the circular of the Company dated 22 December 2017. Completion of the acquisition took place on 31 January 2018. The maturity date of the Notes is subsequently extended to 31 January 2023. Details of which were disclosed in the circular of the Company dated 6 June 2019 and the announcement of the Company dated 28 June 2019. On 31 March 2022, the maturity date of the Note was further extended to 31 January 2024 and bearing interest at 2% per annum, effective from 1 February 2023. On 31 March 2023, the maturity date of the Note was further extended to 31 January 2025 and bearing interest at 3% per annum, effective from 1 April 2023.

The directors of the Company consider that the above transactions are conducted on normal commercial terms or better and in the ordinary and usual course of business of the Group.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2024 ***HK$'000***	2023 *HK$'000*
Salaries and other benefits	**4,235**	5,322
Retirement benefit scheme contributions	**62**	72
	4,297	5,394

42. RETIREMENT BENEFIT SCHEME

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. Under the scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes the lower of 5% of the relevant payroll costs of HK$1,500 for each of its employees to the Scheme per month, which contribution is matched by employees.

The employees for the equine business are employed by the Australian subsidiaries. These employees are members of SGC Scheme. During the year ended 31 March 2024 and 2023, the Group is required to contribute 9.50% of their payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

At the end of the reporting period, there was no forfeited contribution, which arose upon employees leaving the retirement benefits scheme and which are available to reduce the contribution payable in the future years.

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Promissory notes	Lease liabilities	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2022	167,382	1,256	168,638
Non-cash changes			
Interest expenses on promissory notes	14,931	–	14,931
Interest expenses on lease liabilities	–	435	435
Increase in lease liabilities from entering in a new leases during the year	–	4,779	4,779
Loss on early redemption	5,678	–	5,678
Gain on modification	(19,468)	–	(19,468)
Cash flows			
Outflow from financing activities	(53,000)	(1,897)	(54,897)
At 31 March 2023 and 1 April 2023	**115,523**	**4,573**	**120,096**
Non-cash changes			
Interest expenses on promissory notes	**16,719**	**–**	**16,719**
Interest expenses on lease liabilities	**–**	**502**	**502**
Loss on early redemption	**4,460**	**–**	**4,460**
Cash flows			
Outflow from financing activities	**(36,000)**	**(2,304)**	**(38,304)**
At 31 March 2024	**100,702**	**2,771**	**103,473**

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024	2023
	HK$'000	*HK$'000*
Current assets		
Prepayments, deposits and other receivables	**450**	773
Amounts due from subsidiaries	**2,653**	1,143
Cash and cash equivalents	**7,340**	4,972
	10,443	6,888
Current liabilities		
Accruals and other payables	**767**	900
Amounts due to subsidiaries	**405,393**	371,921
Promissory notes	**100,702**	–
Lease liabilities	**2,771**	1,663
	509,633	374,484
Net current liabilities	**(499,190)**	(367,596)
Non-current liabilities		
Promissory notes	**–**	115,523
Lease liabilities	**–**	2,772
	–	118,295
Net liabilities	**(499,190)**	(485,891)
Equity		
Share capital	**93,360**	91,370
Reserves	**(592,550)**	(577,261)
Capital deficiency	**(499,190)**	(485,891)

The financial statements were approved and authorised for issue by the board of directors on 28 June 2024 and are signed on its behalf by:

Cheng Ting Kong	**Cheng Mei Ching**
Director	*Director*

44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Movement in the Company's reserve

	Share premium	Capital contribution reserve	Contributed surplus	Capital redemption reserve	Accumulated loss	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2022	1,108,421	96,865	368	255	(1,742,780)	(536,871)
Loss for the year	–	–	–	–	(59,858)	(59,858)
Modification of promissory notes	–	19,468	–	–	–	19,468
At 31 March 2023 and 1 April 2023	**1,108,421**	**116,333**	**368**	**255**	**(1,802,638)**	**(577,261)**
Loss for the year	**–**	**–**	**–**	**–**	**(14,674)**	**(14,674)**
Right issue of shares	**(615)**	**–**	**–**	**–**	**–**	**(615)**
At 31 March 2024	**1,107,806**	**116,333**	**368**	**255**	**(1,817,312)**	**(592,550)**

45. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Name of subsidiary	Place of incorporation	Principal country of operation	Form of legal entity	Issued and Fully paid up ordinary share capital	Proportion of ownership interest and voting power held				Principal activities
					Directly %		Indirectly %		
					2024	2023	**2024**	2023	
Golden Harvest Trading Limited	Hong Kong	Hong Kong	Limited company	HK$2	–	–	100	100	Provision of administrative service for the Group
Kimbo Consultancy Pty Limited	Australia	Australia	Limited company	AUD100	–	–	100	100	Provision of human resources and administrative services for the subsidiaries
Imperium Farm Pty Limited	Australia	Australia	Limited company	AUD100	–	–	100	100	Property investment holding
Imperium Financial	Hong Kong	Hong Kong	Limited company	HK$375,000,000	–	–	100	100	Provision for money lending business
Imperium International Asset Management Limited	Hong Kong	Hong Kong	Limited company	HK$7,300,000	–	–	100	100	Provision of asset management and advising services on securities and futures contracts
Imperium International Credit Limited	Hong Kong	Hong Kong	Limited company	HK$1	–	–	100	100	Provision for money lending business
Imperium Securities	Hong Kong	Hong Kong	Limited company	HK$140,000,000	–	–	100	100	Provision of securities brokerage services
Imperium Stud Pty Limited	Australia	Australia	Limited company	AUD100	–	–	100	100	Provision of equine related services
Extra Blossom Holdings Limited	British Virgin Island	Hong Kong	Limited company	US$1	–	–	100	100	Cryptocurrency mining

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

46. CONTINGENT LIABILITIES

Saved as disclosed elsewhere in the consolidated financial statements, the Group had no other contingent liabilities as at 31 March 2024 and 2023.

47. RESERVES

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

Nature and purpose of reserves

(a) Share premium

Under the Companies Law of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum and Articles of Association and provided that immediately following the distribution or dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

(b) Capital contribution reserve

The capital contribution reserve of the Company arose as a result of the Corporate Reorganisation and represents the excess of the then combined net assets of the subsidiaries acquired, over the nominal value of the Company's shares issued in exchange therefor.

(c) Capital redemption reserve

The capital redemption reserve represents the nominal amount of the shares repurchased.

(d) Property revaluation reserve

The property revaluation reserve has been set up and is dealt with in accordance with the accounting policies adopted for property and equipment which becomes an investment property because its use has changed as evidenced by end of owner-occupation.

(e) Merger reserve

The merger reserve represents the difference between the nominal value of the share capital issued by the Company in exchange for the nominal value of the share capital and share premium of its subsidiaries arising from group reorganisation.

(f) Translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

48. EVENTS AFTER REPORTING PERIOD

Saved as disclosed elsewhere in the consolidated financial statements, the Group had the following events after reporting period:

On 22 April 2024, all conditions precedent under the subscription agreement dated 22 December 2023 and entered into between the Infinity Technology International Limited, a company incorporated in Hong Kong with limited liability ("**Target Company**") and the Fuxi Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company (the "**Subscriber**"), as subscriber for the subscription of the subscription shares ("**Subscription Agreement**") have been fulfilled and completion of the subscription agreement took place.

Upon completion of the major transaction, the Company has become indirectly interested in approximately 51% of the total issued share capital of the Target Company as enlarged by the allotment and issue of the 10,400 new shares of the Target Company to be subscribed by the Subscriber under the Subscription Agreement and the Target Company is accounted for as a subsidiary of the Company. Accordingly, the financial results of the Target Company will be consolidated into the financial statements of the Group. The Company has also appointed three directors, including Mr. Chim Tak Lai, to the board of directors of the Target Company to control the board of directors of the Target Company.

Details of these transactions were set out in the Company's announcements dated 22 December 2023, 17 January 2024, 19 January 2024, 21 February 2024, 22 February 2024, 28 March 2024, 3 April 2024 and 22 April 2024 and the circular of the Company dated 22 April 2024.

On 14 May 2024, the Group has received an indicative offer from the lessee of the investment properties of the Group consisting of certain land and farm in Australia to acquire the investment properties from the Group at the consideration of AUD7,000,000 plus any applicable goods and services tax on a walk-in walk-out basis. Details were set out in the Company's announcements dated 16 May 2024.

Five Year Financial Summary

For the year ended 31 March 2024

Summary of the results, assets and liabilities of the Group is as follows:

	For the year ended 31 March				
	2024	2023	2022	2021	2020
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Results					
Revenue	**31,354**	30,273	53,691	63,724	98,073
Loss before taxation	**(14,247)**	(119,459)	(105,254)	(57,452)	(60,227)
Income tax credit	**650**	1,837	(909)	(4,476)	(258)
Loss for the year	**(13,597)**	(117,622)	(106,163)	(61,928)	(60,485)
Loss attributable to owners of the Company	**(13,597)**	(117,622)	(106,163)	(61,928)	(60,485)
		(Restated)			
Loss per share attributable to owners of the Company					
Basic and diluted (HK cents)	**(0.59)**	(5.09)	(4.67)	(2.85)	(3.05)

	As at 31 March				
	2024	2023	2022	2021	2020
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets and liabilities					
Total assets	**143,353**	185,404	343,575	390,887	558,610
Total liabilities	**(190,301)**	(218,109)	(274,908)	(328,908)	(448,046)
Net (liabilities)/assets	**(46,948)**	(32,705)	68,667	61,979	110,564