HIGHER TOGETHER

STRONGER TOGETHER

BETTER TOGETHER

大凌集團有限公司
STYLAND HOLDINGS LIMITED

(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)

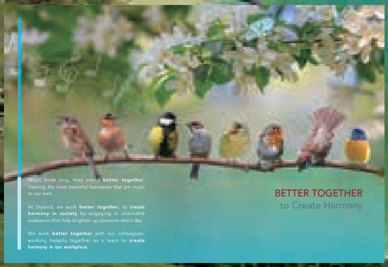
(股份代號 Stock Code: 0211)

年報 ANNUAL REPORT 2021/22

HIGHER TOGETHER
STRONGER TOGETHER
BETTER TOGETHER

This year, our annual report theme is **'Higher Together, Stronger Together, Better Together'**. This theme highlights our strategy of **'togetherness'**, that is, working together with our Board of Directors, Senior Management Team and Group employees to generate excellence for the Styland Group.

We work together to unleash the extraordinary power of teamwork that lets us go **'Higher Together'**, be **'Stronger Together'**, and do things **'Better Together'** – always.



CREATIVE RATIONALE FOR ANNUAL REPORT DESIGN

Birds are our main characters in this year's design. We have chosen birds because they are the world's highest-flying animal. Birds, with their unique ability to fly at great altitudes to grace the skies, represent the Styland Group's aspiration to go even higher, to attain new heights in our core businesses.

The five birds flying together on our front cover design signifies teamwork, that is, our employees' impressive teamwork to propel the Group to greater success.

Our love of nature and the breathtaking beauty of Earth's natural environment are represented by the gorgeous images of sky, land and sea that are shown on the various pages of this annual report.

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ABOUT STYLAND

Styland Holdings Limited (the "**Company**"), together with its subsidiaries, (the "**Styland Group**" or the "**Group**") are a Hong Kong conglomerate with core businesses in financial services, mortgage financing, insurance brokerage services, property development and investment, and securities trading. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 1991.

The Group provides high quality financial services, mortgage financing services and insurance brokerage services to its clients. Creating long-term value for clients, shareholders and other Company stakeholders is one of our most important priorities.

We at the Styland Group are strongly committed to making a positive contribution to the world by doing good deeds for society and the environment. To this end, we continue to engage in our socially responsible activities, caring for the environment, caring for our community, and investing our time, energy and resources to meaningful, charitable endeavors.


Stylandia

Birds fly together in a **V formation** to save energy, so that they can **go higher and farther together** without feeling exhausted during their journey. The birds' teamwork, flying in this way, improves their flying efficiency, and thus, maximizes their flying results.

In the same sense, we at Styland focus on **teamwork to go higher together** with our colleagues and business partners, always aiming to reach new heights. We work together, as a team, **to maximize the positive results** that we bring to the Group, our customers and shareholders.


Teamwork to go
HIGHER TOGETHER

We are **stronger together**, in all that we do, when we at the Styland Group put our minds and hearts together **to generate excellence for the Group**.

With our **strong team spirit**, and our **strong drive for achieving greatness** in all of our businesses, we aim to be **stronger and stronger together in our many years ahead**.

STRONGER TOGETHER
to Generate Excellence

When birds sing, they sound **better together**, creating the most beautiful harmonies that are music to our ears.

At Styland, we work **better together**, to **create harmony in society** by engaging in charitable endeavors that help brighten up someone else's day.

We work **better together** with our colleagues, working happily together as a team to **create harmony in our workplace**.

BETTER TOGETHER
to Create Harmony

Stronger Together
TO FIGHT THE VIRUS

Throughout the COVID-19 pandemic, we have strongly focused on fighting the virus. Moreover, we have adopted and practiced various preventive measures for preventing the spread of COVID-19.

All of our employees have participated enthusiastically in helping the Group combat COVID-19 in our workplace.

OUR COVID-19 PREVENTIVE MEASURES

Our 'Work From Home' policy has enabled our employees to work from home when it was practical to do.

We have made some business operational changes so that certain work tasks that were previously carried out at the offices can now be done at home.

We held more virtual meetings via teleconferencing and video conferencing.

We allow our employees to get off work early at 5:00 pm. This way, our employees can avoid the big crowds of people at the peak off-work time.

We conduct temperature checks at the entrance of our offices for our employees and visitors. Temperature checks on employees are conducted in the morning when they arrive at the offices.

RELAXATION SPACE AT THE OFFICE

We have relaxation space at our offices for employees to relax during their lunch break.

BONUS VACATION DAY AFTER ANTI-COVID-19 VACCINATION

For each shot of anti-COVID-19 vaccine that is taken by the employee, the business day right after their vaccination day becomes a bonus vacation day, a paid vacation leave. This one-day bonus vacation is meant for employees to stay home to relax.

ENCOURAGE GOOD HAND HYGIENE

We encourage our employees to wash their hands with soap and water as the first thing they do when they arrive at the offices in the morning.

We have placed a number of hand sanitizers at our offices for our employees and visitors to use.

STRICT ADHERENCE TO MASK WEARING AT THE WORKPLACE

We strictly enforce our rule that everyone is required to wear a face mask when they are at our offices.

CHAIRMAN'S STATEMENT

Dear Shareholders,

*The financial year ended 31 March 2022 ("**FY2022**") was a noteworthy year for the Styland Group. During the year, we stayed on course in our core businesses despite the external headwinds that we encountered. These headwinds encompassed the fifth wave of COVID-19 in Hong Kong, the softening of the Hong Kong economy, as well as the changing landscape in the global and local financial markets. Thanks to our staff's intelligent strategies and quick actions, we successfully overcame the challenges we faced during the year.*

FOCUSED ON EXPANDING OUR WEALTH MANAGEMENT BUSINESS IN THE GREATER BAY AREA

With the establishment of our wealth management business in Hong Kong, we plan to further expand this business into the Greater Bay Area to accumulate more wealth management clients. Given the enormous growth of millionaires in China over recent years, we see good opportunities for us to develop our wealth management business there. Furthermore, according to our research, China is expected to create millionaires over three times faster than the US in the five years through 2025. We see good business opportunities in Mainland China, not only for our wealth management business, but also for our insurance broking business.

In the future, we aim to bring a comprehensive range of financial investment and insurance solutions to new clients in the Greater Bay Area and to our existing clients in Hong Kong. We are focused on products and services that are highly relevant to our clients' wants and needs. We believe this is a solid strategy that will yield positive results for the Group's wealth management and insurance broking businesses.

LICENSES HELD BY THE GROUP ENABLE THE GROUP TO PROVIDE WIDE RANGE OF FINANCIAL SERVICES

I'd like to emphasize the importance of the various licenses that the Group holds under the Securities and Futures Ordinance (the "**SFO**") as well as our money lending and insurance broking licenses. These licenses enable the Group to carry out a wide range of financial service activities including dealing in securities, dealing in futures contracts, advising on securities, advising on corporate finance, and asset management. By owning these SFO licenses, the Group is able to provide its financial services to the market. In addition, a wholly owned subsidiary of the Group is an active participant in the Hong Kong-Shanghai Stock Connect as well as the Hong Kong-Shenzhen Stock Connect. Through these stock connects, we help clients invest in China A-shares. During FY2022, we were able to offer our clients the MSCI China A 50 Connect (USD) Index Futures contracts to provide clients a hedging tool to manage their exposure in the Chinese equity market.

In addition to the SFO licenses that the Group holds, the Group is an authorized money lender in Hong Kong as it has received the money lending license under Hong Kong's Money Lenders Ordinance. Moreover, in recent years, the Group has entered the insurance broking business. To this end, the Group is an authorized insurance brokerage service provider in Hong Kong that holds an insurance broking license under Hong Kong's Insurance Ordinance.

COMPLETION OF FEI NGO SHAN PROPERTY REDEVELOPMENT PROJECT

In FY2022, we have completed the property redevelopment project at Fei Ngo Shan. We plan to rent out this property in the near future. We foresee that the Group would reap stable, long-term rental income from this Fei Ngo Shan property redevelopment project.

FORGING AHEAD DURING THE FIFTH WAVE OF COVID-19

During our fourth quarter of FY2022, the fifth wave of COVID-19 took place in Hong Kong. It has always been the Group's stance to place our employees' health at the highest priority. During Hong Kong's fifth wave of COVID-19, this was no exception. To combat this fifth wave, we put in place very stringent social distancing measures for our employees to follow in order to reduce the chance of cross infection. We allowed our employees to work from home as much as practical. We also encouraged our employees to engage in more virtual meetings with clients and we greatly reduced our face-to-face meetings with clients and other external parties. Moreover, we tweaked certain aspects of our operational system to accommodate for the fifth wave of COVID-19. For example, as our employees spent more time working from home during the fifth wave of COVID-19, we increased the number of tasks that can be carried out from home. As a result, all of our business operations ran smoothly throughout the fifth wave of COVID-19 and also throughout the entire FY2022.

HIGH IMPORTANCE OF ESG TO THE GROUP

The Group considers ESG a highly important element in its businesses and overall operations. Over the past years, we have been active in engaging in meaningful ESG activities that have a positive impact on the environment and society. In FY2022, we continued to engage in our ESG endeavours. With environmental protection high on our priority list, our employees carried out a host of environmental protection activities during the year. This included the 'Green Office' that we have had over the past 10 years. To be as environmentally friendly as we can, we continued to practice the 4Rs of 'reducing, reusing, recycling, and replacing' throughout all aspects of our business operations.

Regarding the 'social' aspect of ESG, in FY2022, we continued with certain ESG initiatives that we carried out in previous years including those that involved the Group's employee programs, operating practices and community investments.

HIGHER TOGETHER, STRONGER TOGETHER, BETTER TOGETHER/ THANK YOU

On behalf of everyone at the Styland Group, I'd like to thank you, our valued shareholders, for your continued support.

It is our employees' unrelenting drive for greatness in all that we do that propels us to go '**higher together**' to reach for the skies. With our talented team of employees who are deeply dedicated to excel, I am confident that the Group will continue to go higher and higher in the years ahead.

All of us at the Styland Group strives to go '**higher together**', be '**stronger together**' and work even '**better together**' to bring value and goodness to society, the environment, the Group, our clients, our business partners, as well as the Company's shareholders and other stakeholders.

Li Hancheng
Non-executive Chairman

Hong Kong, 29 June 2022

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

FY2022 Results

In FY2022, the Group achieved a turnover of approximately HK$190,278,000 (for the financial year ended 31 March 2021 ("**FY2021**"): approximately HK$213,256,000), and recorded a profit of approximately HK$7,389,000 for FY2022 (FY2021: a loss of approximately HK$38,895,000).

Review of Operations

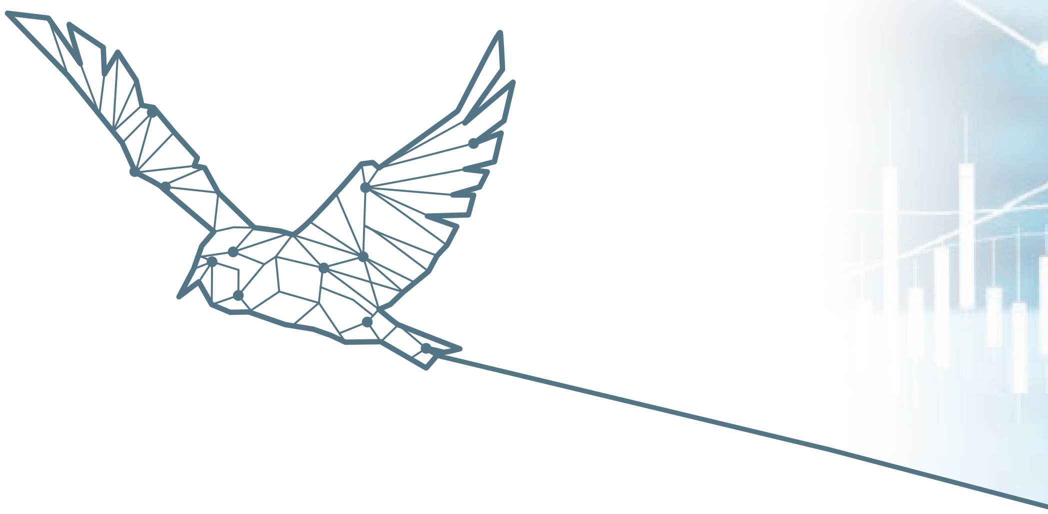
Financial Services

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

- **Brokerage**

  During FY2022, the supply chain disruptions as well as the rise in commodity and oil prices had driven up global inflation and had led to the hike of interest rate in the US as the US government used monetary tightening policy to tame inflation by increasing its interest rate. One of the results of this higher interest rate was that it had a dampening effect on stock prices. In Hong Kong, the Hang Seng Index, which experienced sharp volatility during FY2022, had reached its peak of 29,490 on 2 June 2021, fell to its lowest of 18,235 on 15 March 2022, and closed at 21,996 at 31 March 2022.

  Benefiting from the effective control of COVID-19 in the second half of 2021, coupled with the support of the government's relief measures, Hong Kong regained its economic strength and the unemployment rate had improved to 3.9%. The Group had a good momentum in its stock brokerage business during this period of time. However, the outbreak of the fifth wave of COVID-19 in Hong Kong during the first quarter of 2022 had again affected market sentiment as well as the Group's brokerage business as our retail clients conducted less securities trading during this outbreak period.



During the outbreak of the fifth wave of COVID-19, we put the health of our staff at the highest priority by implementing our work-from-home arrangement to reduce cross infections. With our predetermined back-up plan to deal with the anticipated outbreak and our well-developed online trading platform, our brokerage business ran smoothly and effectively throughout the year.

The Group is already an eligible participant of both the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect to provide its clients the key channels to make their investments in China A-shares. In October 2021, the Stock Exchange also launched MSCI China A 50 Connect (USD) Index Futures contract, providing an efficient risk management tool for investors to manage their Stock Connect China A-shares equity exposure. With our commitment to provide clients comprehensive financial services, the Group has fine-tuned its operational flow to allow clients to subscribe for such contracts to hedge their investments in China A-shares through the Stock Connects. In order to attract new clients, the Group would continue to provide its clients more value-added brokerage services to adapt to the rapidly changing stock market. During FY2022, we managed the securities dealing turnover of HK$7.4 billion.

- **Brokerage Financing**

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

  As at 31 March 2022, the net balance for the brokerage financing business stood at approximately HK$35,670,000. Due to the decrease in interest income from the IPO financing, the interest income arising from brokerage loans including IPO loans has dropped by 18.6% in FY2022. In FY2022, we managed to maintain a healthy brokerage loan portfolio. Thanks to such effective credit policy, the bad debt provision for our brokerage financing business was kept at an immaterial level.

- **Corporate Finance**

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

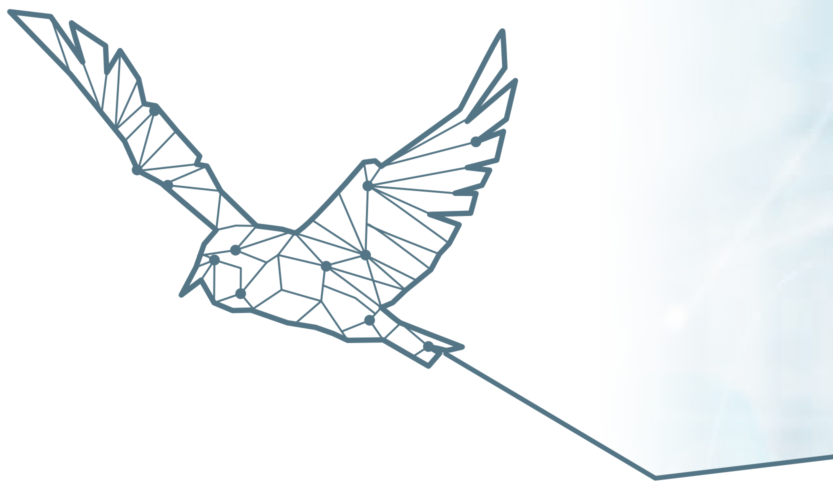
  The regulatory clampdown on technology companies in Mainland China had a dampening effect on the fundraising activities of Hong Kong listed companies in the second half of 2021. This had adversely affected Hong Kong's worldwide ranking in IPOs as shown by the territory's drop to become the fourth largest IPO market for the year 2021. However, we believe that in the future, Hong Kong will maintain its enviable position as one of the top IPO markets in the world. During FY2022, our corporate finance division continued to be engaged by a number of its corporate finance clients to act as a financial adviser or an independent financial adviser in advising on corporate finance transactions and compliance with listing rules.

  Thanks to the strong business relationships that we have built over the years with other broker firms and financial companies, in FY2022, we were fortunate to have participated in certain placing, underwriting and sub-underwriting activities for our clients in the equity capital market. In the near future, we believe that the economic recovery following the effective control of COVID-19 would offer the Group the favourable environment for developing its corporate finance business.

- **Asset Management**

  As a wealth management service provider, our professionals in the wealth management division will, based on each client's own unique investment needs and goals, provide our clients attractive, tailor-made investment solutions, which would allow clients to diversify their investments, minimize their investment risks, and obtain a competitive return on their investments.

  With the launch of the Wealth Management Connect in September 2021, the Chinese mainland's financial market will be further opened up with deepening economic integration within the Greater Bay Area including Hong Kong. Once the border between the Chinese mainland and Hong Kong reopens in the future, the Group plans to utilize its Jiangmen office in Guangdong Province to capitalize on the attractive business opportunities arising from the increasing population of high net worth investors in the Greater Bay Area.



Mortgage Financing

The Group's mortgage financing arm Ever-Long Finance Limited is a reputable money lending service provider that is registered under the Money Lenders Ordinance. During FY2022, the persistently high inflation in the United States and the increased geopolitical tension have caused significant volatility in financial markets. Furthermore, the expectation of interest rate hikes in Hong Kong had impacted the property market sentiment in Hong Kong. Also, COVID-19, in particular the fifth wave of the epidemic, has again impacted the Hong Kong economy. To minimize our exposure to such high uncertainty, during FY2022, the Group has strategically adjusted downward the size of its mortgage loan portfolio with a view to maintain a healthy portfolio. We believe that it is our first priority to preserve our financial strength so that we can enhance our resilience when we are faced with market volatility.

As at 31 March 2022, the consolidated loan balance under the mortgage financing segment of the Group was approximately HK$93,023,000. The interest income for this segment was HK$16,614,000 for FY2022. We continued to adopt a prudent and cautious approach in running our mortgage financing business by maintaining the loan-to-value ratio for new loan drawdowns at a conservative level. Thanks to such measures, the Group's bad debt provision remained at an immaterial percentage to its loan portfolio.

Insurance Brokerage

Our insurance brokerage company, which is registered with the Insurance Authority, had possessed delegation agreements with various reputable insurance companies in Hong Kong. By virtue of such cooperative agreements, we were able to provide our clients life insurance products and services and general insurance products and services, as well as acting as a mandatory provident fund (MPF) intermediary. In addition, we expect that our insurance brokerage segment would have a synergistic effect with our asset management segment as the technical representatives of our insurance brokerage company would assist our asset management arm in promoting the financial products and services of the Group's wealth management business.

During FY2022, the number of technical representatives of the insurance brokerage segment has increased from 4 to 9.

Property Development and Investment

During FY2022, we have completed the redevelopment project at Fei Ngo Shan Road, Hong Kong (the "**Fei Ngo Shan Property**"). The Fei Ngo Shan Property with a gross site area of more than 16,000 square feet is located at the low-density luxury section. As this redevelopment project has now completed, we plan to rent out this property, and thus, we expect that this property will provide the Group a stable source of rental income in the future. In addition, the Group holds another residential property in Sai Kung, Hong Kong. As at 31 March 2022, the combined carrying value of the Group's investment properties was approximately HK$485,500,000.

Securities Trading

As at 31 March 2022, the Group held a portfolio of listed securities investments consisting of 31 securities, which were engaged in the sectors of (i) consumer discretionary; (ii) information technology; (iii) financials; (iv) funds; (v) utilities; and (vi) others. The net realized and unrealized losses were HK$1,810,000 and HK$4,024,000 respectively.

Prospects

China recorded an increase in gross domestic product of 4.8% for the first quarter of the 2022 calendar year amid the domestic COVID-19 outbreak and geopolitical uncertainties. Nevertheless, China's authorities remain optimistic and would continue to create a supportive environment for foreign investors for further investment. Hong Kong will continue to serve as a gateway for foreign companies to invest in Mainland China. Since the official launch of the Shanghai-Hong Kong Stock Connect in 2014, the mutual equity market access between the Chinese mainland and Hong Kong was further enhanced. Nowadays, the majority of overseas investments in China A-shares are through the Stock Connects. The Group's securities broking firm, Ever-Long Securities Company Limited, is a Stock Connect service provider and would benefit from the growth of the Chinese mainland's economy and its attraction to international capital inflows through the Stock Connects.

With the recent launch of the Wealth Management Connect Scheme in September 2021, this would further enhance Hong Kong's status as an international asset management center, and would be beneficial to the Group's asset management business. With the increasing population of high net worth investors in Mainland China, in particular, the Greater Bay Area, the demand for investment products of Hong Kong and overseas markets is expected to keep rising. In addition to the asset management service, we believe the reopening of the border between Mainland China and Hong Kong in the foreseeable future would also provide the Group the opportunity to promote its insurance brokerage products to potential clients on the Chinese mainland.

To stimulate the Hong Kong economy and encourage consumer spending, the HKSAR Government rolled out a series of new stimulus measures, including the Consumption Voucher Scheme. This stimulus measure, in conjunction with the gradual easing of social distancing rules commencing from April 2022, is expected to boost local spending, accelerate the territory's economic recovery, and improve its unemployment rate. We expect these measures to have a positive spillover effect onto our business by helping to reduce the credit risk of our mortgage financing business.

Despite the COVID-19 outbreak, we observed that the Hong Kong property market has remained relatively stable. Even though the US Federal Reserve has begun to raise interest rate in the US, the interest rate in Hong Kong may not necessarily rise with the USD interest rate immediately. Nevertheless, the Group would closely monitor the effect of interest rate hikes on the valuation of the Group's investment properties, and the impact that rising interest rates may have on the Group's securities trading business.

FINANCIAL REVIEW ON LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2022, the Group's net asset value was approximately HK$479,826,000 (FY2021: approximately HK$470,321,000) and cash at bank and in hand totaled approximately HK$91,423,000 (FY2021: approximately HK$114,614,000) of which approximately 94% was held in Hong Kong dollar, approximately 5% in US dollar, and approximately 1% in Renminbi.

As at 31 March 2022, the Group's borrowings including loans, convertible bonds, promissory note payables and lease liabilities amounted to approximately HK$261,087,000 (FY2021: approximately HK$256,258,000) of which approximately HK$82,431,000 (FY2021: HK$100,933,000) was repayable within one year. The gearing ratio for FY2022, being the ratio of total borrowings to the shareholders' fund, was about 0.54 (FY2021: 0.54).

Investments in Financial Assets

As at 31 March 2022, the Group held a portfolio of listed securities with fair value of approximately HK$11,827,000 (FY2021: approximately HK$23,405,000). The Group will continue to adopt a prudent approach for its investments in financial assets.

Charges on Group Assets

As at 31 March 2022, the Group's investment properties of approximately HK$485,500,000 (FY2021: approximately HK$360,673,000) and a life insurance policy of HK$6,682,000 (FY2021: HK$6,497,000) were pledged to banks to secure the banking facilities that were granted to the Group.

Credit Risk

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

For the mortgage financing business, mortgage loans are granted to clients based on the aggregate market value of the pledged properties as confirmed by independent valuers. To lower the Group's exposure to risk in its mortgage financing business, the mortgage amounts to be granted to a client, in general, shall not exceed 80% of the aggregate market value of the pledged properties.

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

Compliance and Operational Risks

The Group has put in place effective internal control systems for its operations. Under the financial services businesses, the relevant monitoring teams comprised of licensed responsible officers registered under the SFO and the management, who have acted in compliance with the SFO, have been set up to monitor the operations, the settlement matters of traded financial products and cash, and to provide clients services of the regulated activities. As at 31 March 2022, the number of responsible officers of the Group registered under the SFO for each regulated activity under the financial services segment were as follows:

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

In order to safeguard clients' interests and comply with the requirements of the SFO, our monitoring teams have carried out ongoing checks and verifications so that we are able to maintain our service standard at a satisfactory level. During FY2022, the financial services operation of the Group had complied with the SFO. Clients were satisfied with our services.

Under the mortgage financing business, we had net consolidated mortgage loans of approximately HK$93,023,000 as at 31 March 2022, and the operation had complied with the Money Lenders Ordinance and the applicable guidelines.

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

Interest Rate Risk

During FY2022, the Group's borrowings bore interest at either fixed interest rates or floating interest rates. Its risk arises from the interest payments which were charged according to floating interest rates. The Group monitors its interest rate exposure regularly to ensure that the underlying risk is within an acceptable range.

Liquidity Risk

The Group's policy is to regularly assess current and expected liquidity requirements of the Group and to ensure that it maintains reserves of cash, readily realizable marketable securities and adequate committed lines of funding from financial institutions to meet its liquidity requirements. As at 31 March 2022, the amount of undrawn banking facilities of the Group was approximately HK$29,385,000.

Price Risk

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

Foreign Exchange Exposure

During FY2022, the Group's business activities as well as its assets and liabilities were mainly denominated in Hong Kong dollar, US dollar, New Taiwan dollar and Renminbi. In light of (i) the exchange rate peg between the Hong Kong dollar and US dollar; (ii) the offset each other for assets and liabilities that were denominated in New Taiwan dollar; and (iii) the immaterial balance of assets or liabilities denominated in Renminbi when compared to the Group's total assets or liabilities, the Group considers its foreign exchange risk immaterial for FY2022. It is the Group's treasury policy to manage its foreign currency exposure to minimize any material financial impact to the Group.

STAFF

As at 31 March 2022, the Group had 74 employees. Remuneration packages are generally structured with reference to prevailing market practice and individual merits. Salaries are reviewed periodically based on the employee performance appraisal or other relevant factors. The Group also maintains certain staff benefit plans including medical insurance, hospitalization scheme, mandatory provident fund and share option scheme.

The emoluments of the directors of the Company (the "**Directors**") are determined by the Remuneration Committee as delegated by the Board with reference to market rates and the respective Directors' experience, duties and responsibilities in the Group. None of the Directors are involved in deciding their own remuneration. The Group maintains the Continued Learning Sponsorship Scheme to sponsor the continuous professional development of the members of the Group including the Directors.

MATERIAL ACQUISITION AND DISPOSAL

During FY2022, the Group did not make any material acquisitions or disposals.

CONTINGENT LIABILITIES

As at 31 March 2022, the Group did not have any material contingent liabilities (FY2021: immaterial).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. ABOUT THIS REPORT

Overview

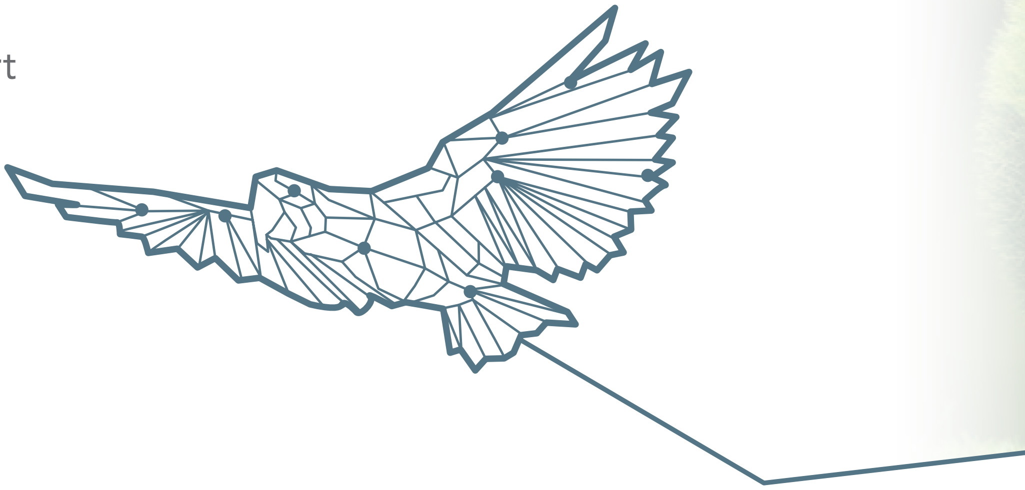
The Board is pleased to present this Environmental, Social and Governance (hereinafter called "**ESG**") Report (the "**ESG Report**" or "**Report**") of the Group for FY2022. This ESG Report outlines the policies, sustainability strategies, management approaches and initiatives implemented by the Group and the performance of the Group in the environmental and social aspects of its businesses.

Reporting Scope

This ESG Report covers all of the Group's businesses namely, financial services, mortgage financing, insurance brokerage services, property development and investment, and securities trading in Hong Kong. During FY2022, there were no significant changes to the reporting scope.

Reporting Basis

This ESG Report discloses the required information under the "comply or explain" provisions of the ESG Reporting Guide as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").



Reporting Principles

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

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

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

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

Consistency: As far as is reasonably practicable, the Group has used consistent methodologies to allow for meaningful comparisons of ESG data over time.

II. MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Board Statement

The Board takes overall responsibility for ESG matters and their integration into the Group's management approach and strategies. It guides the management and monitoring of ESG matters that have been identified as relevant to the Group, and reviews the progress made against ESG-related goals and targets.

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

The environmental footprint from the Group is relatively minor. Nonetheless, global warming is a growing concern of governments worldwide. As a socially responsible corporate, the Group is committed to minimizing its environmental impact and integrating responsible environmental practices into its businesses. Meanwhile, the Group endeavors to foster a sense of environmental stewardship internally, with an aim to make joint efforts with employees to build an environmentally friendly and resource-saving enterprise.

Despite the continuance of the COVID-19 global pandemic into FY2022, the employees of the Group showed their team spirit and provided multi-pronged support to each other at times when the COVID-19 epidemic became severe as to protect themselves and others from infection. Our employees also strived to stop the spread of COVID-19. Our prevention and control measures included the provision of masks and alcohol-based hand sanitizers to our employees, reminding our employees to follow good respiratory and hand hygiene and maintain proper social distancing, etc. Despite the severity of the epidemic, we still paid attention to the employee salaries and benefits, career development opportunities and provided a safe working environment to our employees. To continue with our initial aim of embracing corporate social responsibility, we have actively participated in meaningful corporate social responsibility activities. However, we may still need to persevere to fight against the virus together longer. We encourage all of our employees to put their unremitting efforts into the Group's ESG initiatives and goals, and to make continuous progress towards sustainable development.

To achieve this vision, the Board would review its environmental and social KPIs from time to time and would take a top-down approach to integrate the KPIs into the functional departments. The Board not only improved the well-being of the employees but also urged the employees to make changes in different areas, such as reducing greenhouse gas ("**GHG**") emissions and making good use of resources. ESG matters that the stakeholders of the Group rate as priorities are tracked through the stakeholders' engagement exercise (Please refer to the section "Stakeholders' Engagement" below for details). During FY2022, the Group has made achievements by actively supporting the Group's sustainable development strategies and objectives from the management team and all employees. The relevant scope, progress and achievements relating to the environmental and social KPIs would be disclosed in its ESG Report.

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

Governance Structure

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

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

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

Stakeholders' Engagement

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

Stakeholders	Expectations and Concerns	Means of Communication	Management Response
Government/Regulatory Organizations	➢ Compliance with laws and regulations ➢ Fulfill tax obligations ➢ Steady business operations ➢ Anti-corruption ➢ Anti-money laundering and anti-terrorist financing ➢ Joint efforts in combating the coronavirus disease ("COVID-19")	➢ Periodic reports and interim announcements ➢ Correspondences ➢ Policy documents and guidelines ➢ Official website of the Group	➢ Uphold integrity and compliance in operations ➢ Pay tax (if any) on time ➢ Establish comprehensive and effective internal control systems and implement various anti-corruption, anti-money laundering and anti-terrorist financing measures ➢ Follow the government's COVID-19 preventive measures and guidelines to prevent the spread of COVID-19
Shareholders/Investors	➢ Return on investment ➢ Information transparency ➢ Corporate governance system	➢ General meetings of shareholders ➢ Information disclosed on the website of the Stock Exchange ➢ Official website of the Group ➢ Shareholders/ Investors enquiry hotline, email and fax	➢ Management team possesses relevant experience and professional knowledge in business sustainability ➢ Maintain the highest standard of openness, probity and accountability ➢ Ensure transparent and efficient communications by dispatching information on the websites of the Stock Exchange and the Group ➢ Continue to focus on and improve the risk management and internal controls system

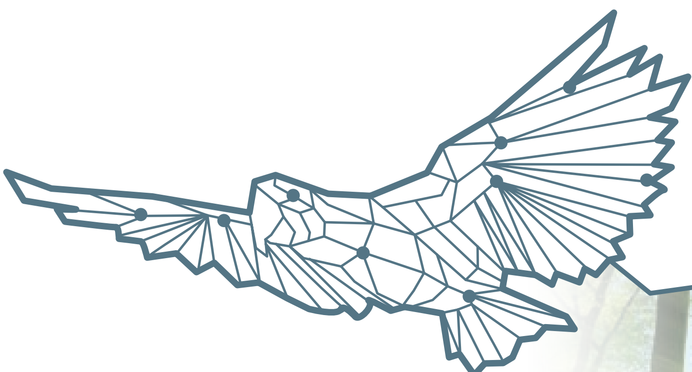
Stakeholders	Expectations and Concerns	Means of Communication	Management Response
Employees	➢ Labor rights ➢ Career development ➢ Compensation and welfare ➢ Health and workplace safety ➢ Joint efforts in combating COVID-19	➢ Employee activity ➢ Performance appraisal ➢ Induction and on-the-job training ➢ Internal meetings and announcements ➢ Contact via email, phone and communication applications	➢ Set up contractual obligations to protect labor rights ➢ Encourage employees to participate in continuing education and professional training to enhance competency ➢ Establish a fair, reasonable and competitive remuneration scheme ➢ Pay attention to occupational health and safety ➢ Provide COVID-19 prevention materials to employees and adopt "work from home" policy
Customers	➢ High quality and efficient services ➢ Ensure information and fund security ➢ Expand service channels ➢ Timely solutions to customers for helping them solve their problems	➢ Customer hotline ➢ Official website of the Group ➢ Mobile applications and other digital platforms ➢ Service complaint and response mechanism	➢ Improve the quality of services continuously in order to maintain customer satisfaction ➢ Ensure proper contractual obligations are in place ➢ Popularize financial knowledge ➢ Set up high-level preventive controls on data leakage and hacking activities ➢ Protect consumer rights and interests

Stakeholders	Expectations and Concerns	Means of Communication	Management Response
Suppliers/Contractors	➢ Stable demand ➢ Good relationship with the Group ➢ Corporate reputation ➢ Fair and transparent procurement process	➢ Official website of the Group ➢ Negotiation ➢ Contracts ➢ Tendering and bidding	➢ Ensure proper contractual obligations are in place ➢ Establish policies and procedures in supply chain management ➢ Establish and maintain strong and long-term relationship with suppliers ➢ Select suppliers with due care and ensure the procurement
Community	➢ Environmental protection ➢ Reduce GHG emissions ➢ Effective use of resources ➢ Community contributions ➢ Economic development and employment ➢ Joint efforts in combating COVID-19	➢ Official website of the Group ➢ Donations	➢ Pay attention to the issue of climate change ➢ Low-carbon and environmentally friendly operations ➢ Encourage employees to actively participate in charitable and environmental protection activities including volunteer work ➢ Strengthen energy saving and emission reduction management ➢ Maintain good and stable financial performance and business growth ➢ Follow the government's COVID-19 preventive measures and guidelines to prevent the spread of COVID-19

Materiality Assessment

During FY2022, the Board held discussions with the management team and conducted the materiality assessment through various channels to identify ESG issues in which both the Group and its key stakeholders are interested and assessed the level of concern as viewed by them so as to select the relatively important environmental and social issues. For the materiality assessment, the Group has adopted the following three processes:

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



Materiality Matrix

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

Materiality Matrix

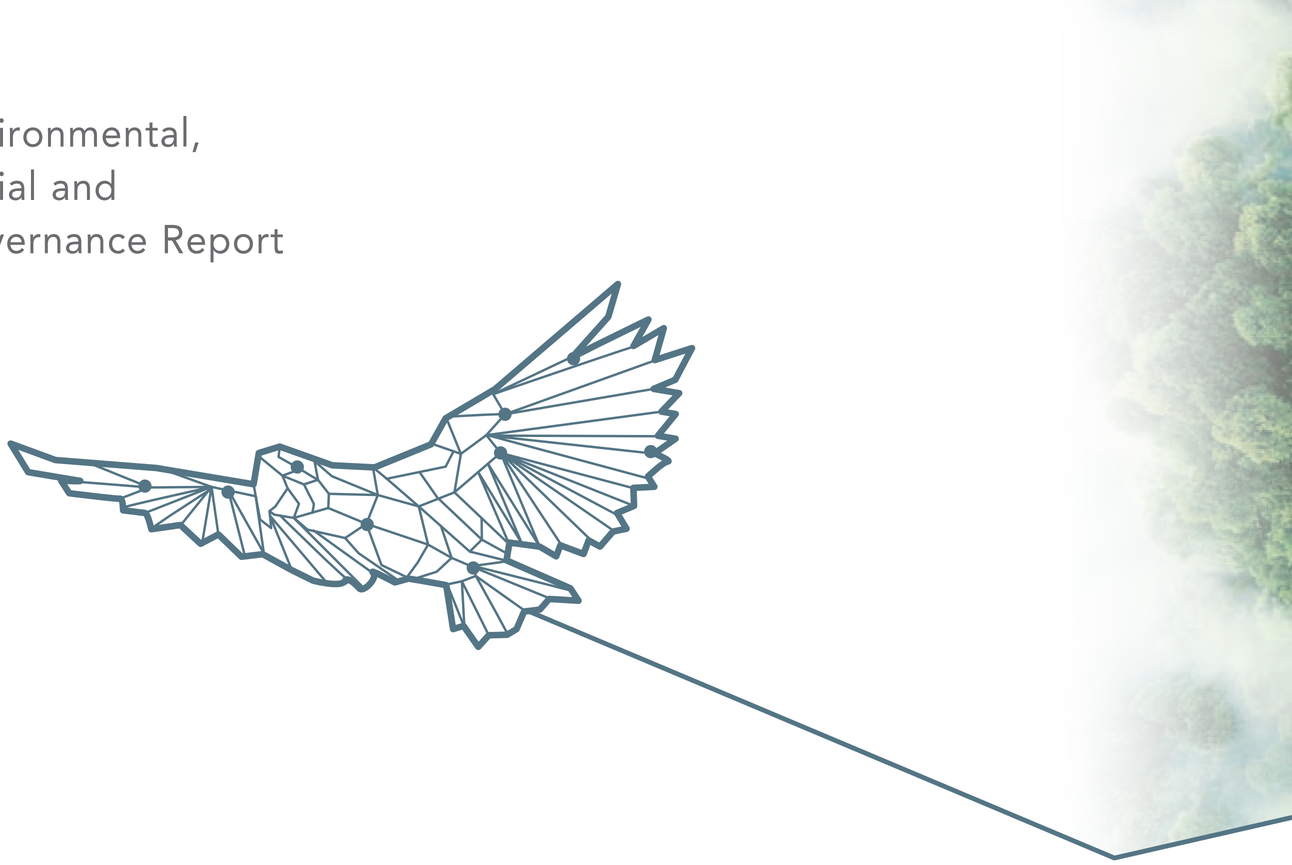
Importance to Stakeholders	Importance to the Group: Low	Importance to the Group: Medium	Importance to the Group: High
High	◆ Anti-discrimination measures ◆ Labor rights protection	◆ Talent management ◆ Staff training and promotion opportunity ◆ Staff compensation and welfare	➢ Customer satisfaction ➢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

III. ENVIRONMENTAL PROTECTION

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

1. Management of Emissions

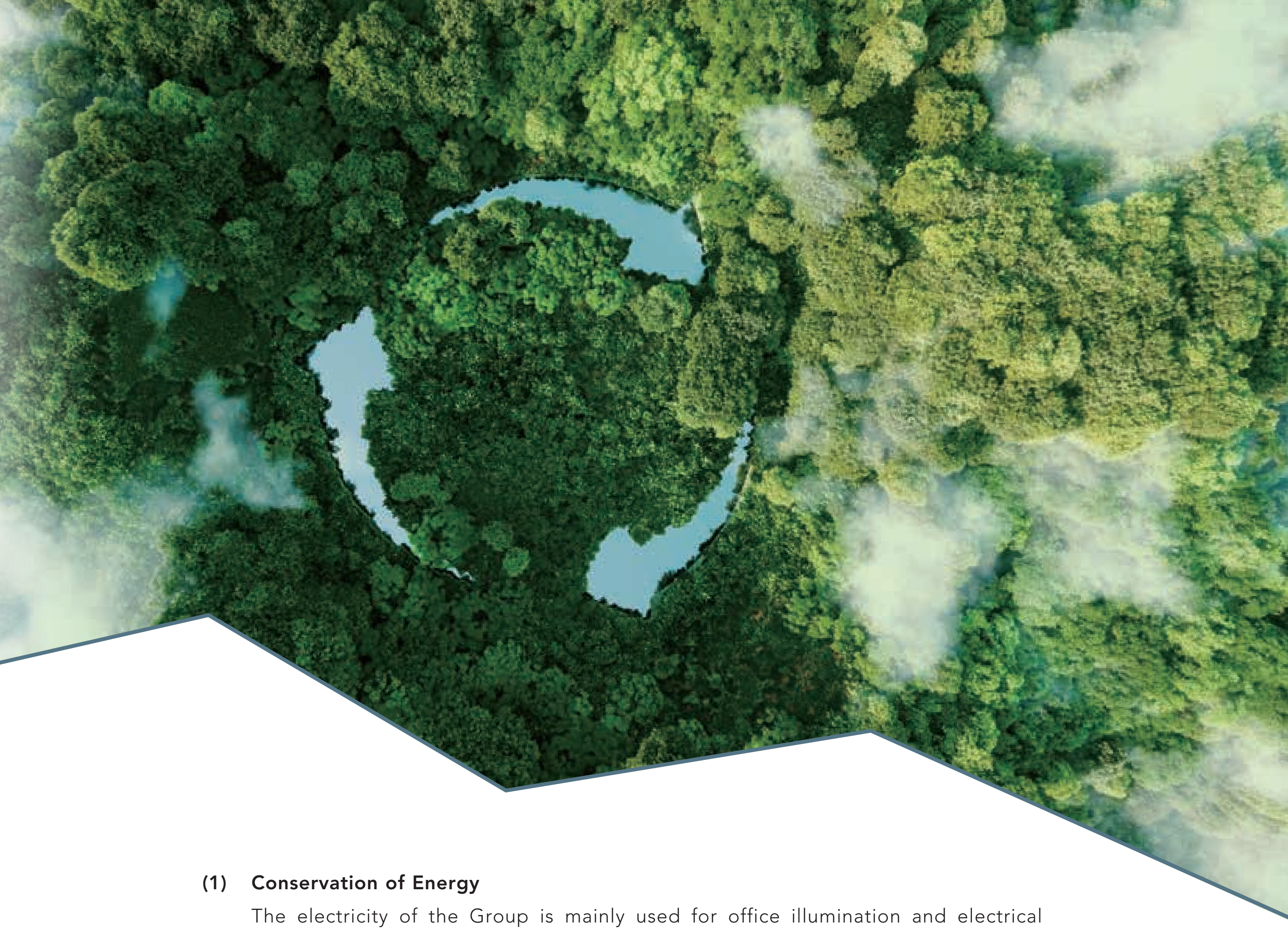
The Group engages in the financial services, mortgage financing, insurance brokerage services, property development and investment, and securities trading businesses. These businesses do not involve any production activities, and hence, no packaging materials are used and no hazardous wastes and air pollutants are produced in their ordinary course of business. The environmental impact from the Group mainly comes from its use of natural resources, generation of office and domestic wastes, and discharge of domestic wastewater. Energy conservation and emission reduction are top priorities for the Group. We strongly focus on reducing energy consumption, improving energy efficiency and minimizing our impact on the environment by undertaking various energy-saving measures (Please refer to the section "Conservation of Energy" below for details). Our waste management initiatives are centered on the collection of waste paper for recycling (Please refer to the section "Conservation of Paper" below for details). Illegal disposal of regulated electrical equipment is prohibited. We use environmentally friendly office supplies and place potted plants in our workspaces in aim of reducing our office's carbon footprint and to create a greener working environment for our staff. We do not allow chemicals that are harmful to the environment and wastewater that contains hazardous substances to be discharged into water pipelines.



The Group's property development and investment business includes a redevelopment project at Fei Ngo Shan Road, the occupation permit of which was obtained in April 2019. During FY2022, the interior decoration and other works for this property, which were outsourced to contractors, have been completed. The Group and the contractors have complied with the requirements under the environmental protection legislation. Due to the remote location of the site, the impact from noise to the surrounding environment was not significant. The solid wastes from this project were handled according to the Waste Disposal Ordinance to minimize our impact on the environment. The recyclable wastes were handled by the recycler, and non-recyclable inert and non-inert wastes were sent to public filling facilities and landfills respectively. The Group adheres to the relevant government laws and regulations regarding wastewater treatment and discharge. The contractor has obtained a license under the Water Pollution Control Ordinance for discharging our wastewater to the appropriate drainage and sewage. All of our wastewater has been treated according to the government's standards prior to discharge.

2. Management of Resources Utilization

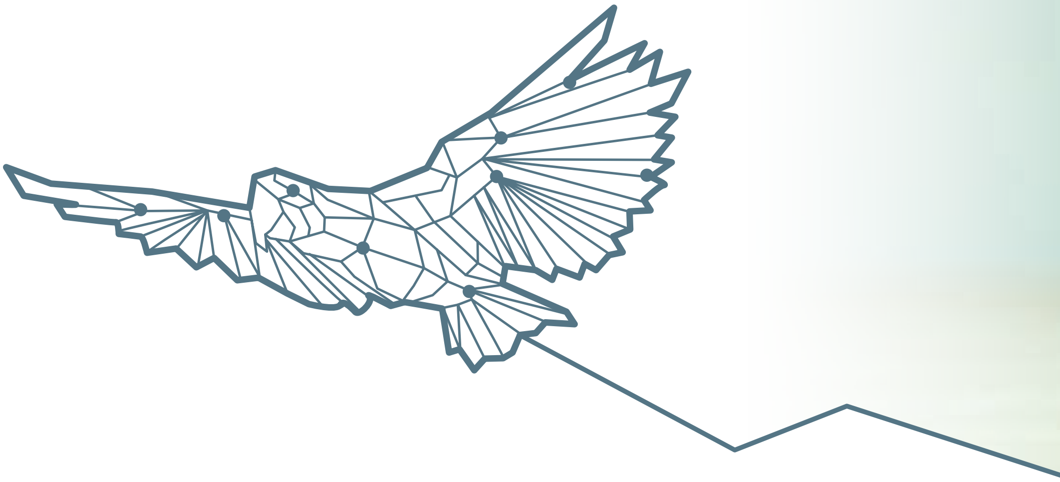
The Group recognizes its responsibilities to manage its resources and minimize its impact on the environment. Furthermore, the Group is devoted to ensure all of its resources are utilized in an efficient and wise manner. Hence, we have set up a "Green Office", and encouraged employees to adopt our management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



(1) Conservation of Energy

The electricity of the Group is mainly used for office illumination and electrical appliances. The Group has set up a series of measures that involve raising the electricity efficiency of its electrical appliances to save energy and encourages its employees to adopt energy-saving habits for using our office's electrical appliances. For example, employees are encouraged to switch off office equipment and electrical appliances when they are not in use; air conditioners and lights are switched off when the conference rooms are not in use and after work; selecting office equipment and electrical appliances with energy efficiency labels or high energy efficiency; open blinds to take advantage of natural light; further minimizing the energy consumption of equipment under "Standby" mode by switching off computers and electrical appliances; setting the temperature of air conditioning at 25.5 degree Celsius; analyzing statistically the energy consumption every quarter. To implement the "Green Office" concept, the Group has adopted the recommendations provided by CLP and has posted the CLP guidelines in our offices to educate and encourage our employees to use different ways to save energy in the workplace. During FY2022, the Group's electricity consumption was approximately 101.99 Megawatt hours ("MWh"), representing a decrease of approximately 5.55 MWh or 5.16% compared to that in the previous year.

By the end of FY2022, the Group has achieved its target of reducing the electricity consumption and the respective Scope 2 GHG emission when compared with FY2021. Please refer to the section "Environmental Performance Data Summary" below for the relevant data.

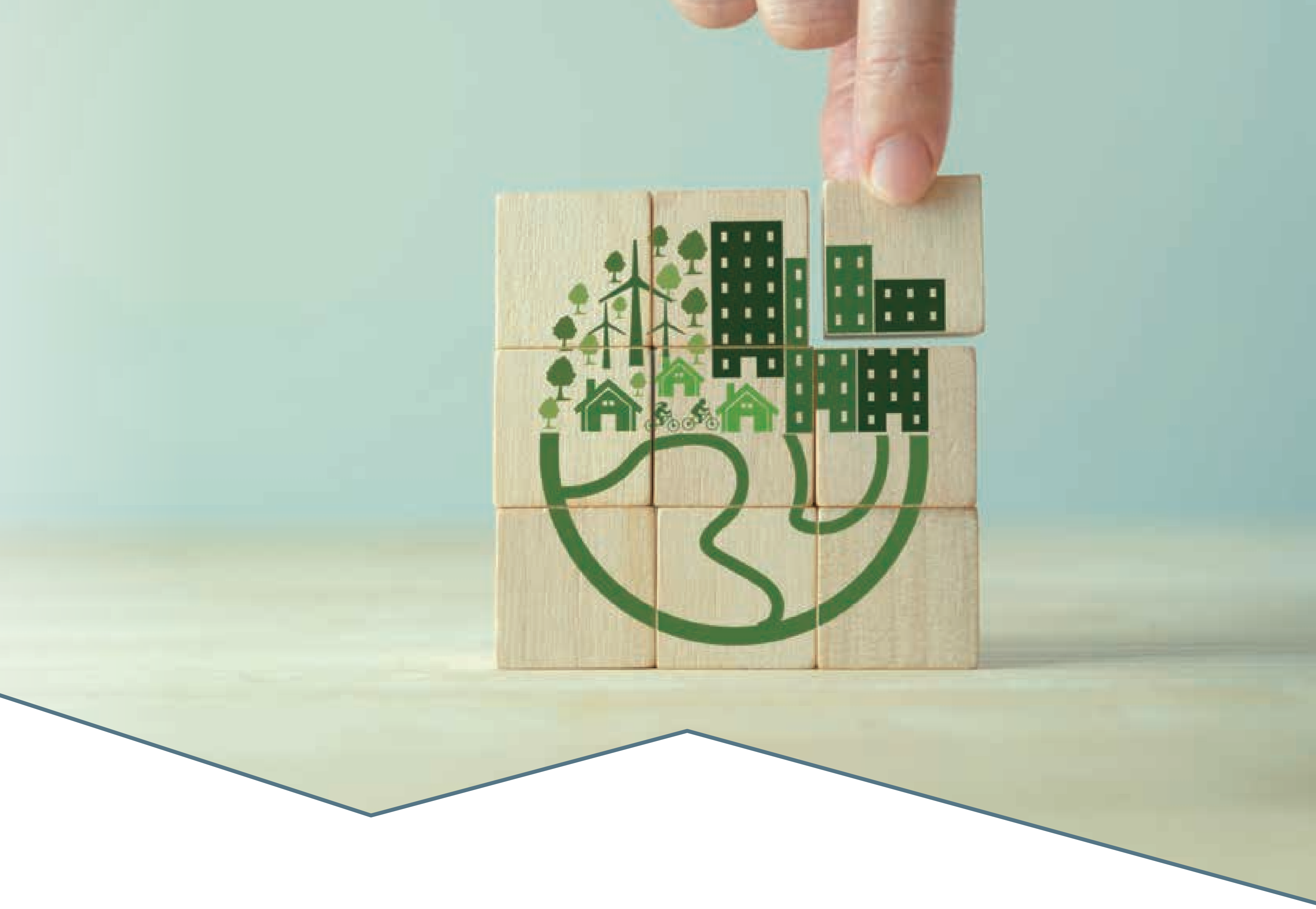


Gasoline is mainly used in the Group's vehicles for business purpose. The Group repairs and maintains its vehicles regularly to improve their energy efficiency, reduce the extra fuel consumption and minimize exhaust air emissions resulting from the wear-and-tear vehicle parts. Our drivers plan the shortest route and fastest way to reach their destination before using the vehicles in order to maximize energy efficiency. They are mindful of switching off the engine while the vehicle is stationary to comply with the Motor Vehicle Idling (Fixed Penalty) Ordinance in Hong Kong to save fuel and avoid idling emissions. The Group analyzes statistically the gasoline consumption regularly, and finds out the reasons if abnormalities are found. During FY2022, the Group's gasoline consumption was approximately 6.78 tonnes, representing an increase of approximately 3.13 tonnes or 85.75% compared to that in the previous year.

As the Group expected the COVID-19 epidemic to ease in FY2022 and business activities to resume to normal, it expected the petrol consumption and the respective Scope 1 GHG and air emissions would increase significantly when compared to FY2021. Please refer to the section "Environmental Performance Data Summary" below for the relevant data.

(2) Conservation of Water

Water consumption of the Group was mainly comprised of bottled drinking water and water from the washrooms of our offices that were strictly used for sanitary purposes. The bottled drinking water was purchased from vendors. The water from the washrooms that was used for sanitation was supplied and managed by the property management company. Although the Group did not face any water shortage problem during FY2022, it recognizes the scarcity of water resources the environment could offer. The Group constantly reminds employees of their water usage habits and to be careful not to cause any negative impact on the environment, and hence the Group always encourages its employees to establish and practice the correct water usage concept, to cherish water usage in their daily lives and to avoid any kind of wastage. For example, our employees were encouraged to finish drinking the water in their mugs, not to use potable water for any other purposes, to turn off the water tap after use, etc.



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

(3) Conservation of Paper

The Group actively promotes the "Green Office" policy and encourages its employees to save paper. We have also educated our employees on how to avoid wasting paper through various measures, and have reduced our reliance on paper-based documents. We distribute files in electronic format as much as possible in order to minimize photocopying and printing on paper. Furthermore, we fully utilize both sides of paper, conserve and reuse our other paper supplies. For example, our employees are encouraged to reuse envelopes, paper files and paper bags. With respect to our paper recycling efforts, we collect and pass the used and recyclable papers to the recyclers for handling. We place paper saving tips next to the printers to provide suggestions to employees on the various ways they can save paper at the office. Our printers have been set to default to the duplex print mode to remind our employees about saving paper and to make the best use of paper. The Group counts its paper consumption regularly, and finds out the reasons if abnormalities are found. During FY2022, the Group consumed approximately 2.94 tonnes of paper, representing a decrease of approximately 0.51 tonnes or 14.78% compared to that in the previous year.

(4) Others

Other measures to reduce the Group's carbon emissions include our increased usage of ceramic mugs in the office for serving customers; encourage employees to use reusable water bottles and cups and minimize their purchase and usage of the single-time use disposable cups and utensils. Other measures we adopted to minimize our carbon emissions encompass our travel policy that focuses on minimizing our carbon footprint. Through our travel policy, we have encouraged employees to reduce traveling for meetings and instead, use video conferencing or teleconferencing. With respect to disposing our old or unwanted electrical equipment, we disposed these kinds of items in accordance with "The Producer Responsibility Scheme on Waste Electrical and Electronic Equipment".

3. The Environment and Natural Resources

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

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

4. Climate Change

Climate change is causing extreme weather events more frequently and severely, often causing catastrophic damage. Climate change is also changing seasonal and annual patterns of temperature, precipitation and other weather phenomena. The risks of climate change is still imminent. Understanding these trends and the relationship with our business can help us to prepare, analyze possible risks and opportunities, help seize the opportunities of potential benefits and establish the response capacity of the Group in the long run. The Group believes that a robust response to climate change requires the concerted efforts of all stakeholders. As such, the Group will continue to identify and address stakeholders' expectations to optimize its environmental measures in order to achieve sustainable developments and create long-term value for its stakeholders and for society as a whole.

5. Compliance

During FY2022, there were no confirmed non-compliance incidents in relation to environmental protection that have a significant impact on the Group.

IV. EMPLOYMENT AND LABOR PRACTICES

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

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

1. Employment

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

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

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

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

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

In FY2022, the number and distribution of the Group's employees are as follows:

	FY2022	FY2021
Gender		
Male	**41**	46
Female	**33**	39
Employment Type		
Full-time	**74**	85
Age Group		
18-30	**6**	8
31-45	**25**	35
46-60	**29**	27
>60	**14**	15
Geographical Region		
Hong Kong	**69**	78
Mainland China	**4**	6
Taiwan	**1**	1

In FY2022, the Group's average monthly employee turnover rate is as follows:

	FY2022	FY2021
Gender		
Male	**2.65%**	1.09%
Female	**2.62%**	0.85%
Age Group		
18-30	**5.88%**	4.13%
31-45	**3.41%**	0.71%
46-60	**1.47%**	0.34%
>60	**1.73%**	0.55%
Geographical Region		
Hong Kong	**2.52%**	0.86%
Mainland China	**4.62%**	2.22%

(2) Compensation, Welfare and Other Benefits

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

(3) Working Hours and Rest Periods

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

(4) The Impact of COVID-19

The Group did not lay off any employees due to COVID-19, and the compensation and welfare of its employees remain unchanged during FY2022. With respect to COVID-19, in order to reduce the risk of infection for our employees, we have adopted various preventive measures for the health and safety of our employees including those preventive measures titled "Together, We Fight the Virus!" that were promoted to the public by the Department of Health of the HKSAR Government (please refer to the section "Health and Safety" below for details).

2. Health and Safety

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

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

Due to the COVID-19 outbreak, we have adopted various preventive measures to reduce our employees' chances of being infected or spreading the disease. These precautions include the provision of face masks and alcohol-based hand sanitizers to our employees. Other measures we have taken to prevent the spread of COVID-19 were our adoption of a "work from home" policy, reminding our employees to follow good respiratory and hand hygiene, practice social distancing and allowing only our employees and visitors who do not have any COVID-19 symptoms to enter our offices. Other COVID-19 preventive measures that we implement include conducting rapid antigen tests, temperature checks and ensuring that our workplaces are clean and hygienic.

There were no lost days due to work injury during FY2022, and there were no occurrences of work-related fatality in each of the past three financial years (including FY2022).

3. Development and Training

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

During FY2022, our professional staff have participated in various external training in the form of seminars. The training topics include fintech application to combat money laundering, digital financial index and application, how will the metaverse reshape the business of the internet, Breakingviews predictions 2022, new overseas listing regulations and so on. In addition, we provide tuition fee subsidy to the employees who are interested in taking courses that are relevant to our business or their job duties. We believe that encouraging our employees to take relevant courses to enhance their professional knowledge and skills will bring potential benefits and contributions to the Group. During FY2022, we have subsidized our employees to participate in various courses, and the topics included company secretaries.

During FY2022, the percentage of the Group's employees trained[1] is as follows:

	FY2022	FY2021
Gender		
Male	**63.64%**	53.85%
Female	**45.45%**	46.51%
Employee Category		
Senior management	**50.00%**	50.00%
Middle management	**100.00%**	100.00%
Lower level management	**66.67%**	53.85%
Ordinary staff	**49.23%**	43.61%

During FY2022, the average training hours[2] per employee are as follows:

	FY2022	FY2021
Gender		
Male	**6.09**	2.25
Female	**9.63**	13.19
Employee Category		
Senior management	**7.15**	8.16
Middle management	**9.03**	3.75
Lower level management	**7.62**	11.38
Ordinary staff	**7.70**	5.41

Notes:

1. The percentage of the Group's employees trained refers to the number of Group's employees trained within the reporting year divided by the sum of the Group's number of employees at the end of the reporting year and the number of employees resigned within the reporting year.

2. The average training hours refers to the number of training hours provided by the Group to the employees within the reporting year divided by the sum of the Group's number of employees at the end of the reporting year and the number of employees resigned within the reporting year.

4. Labor Standards

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

5. Compliance

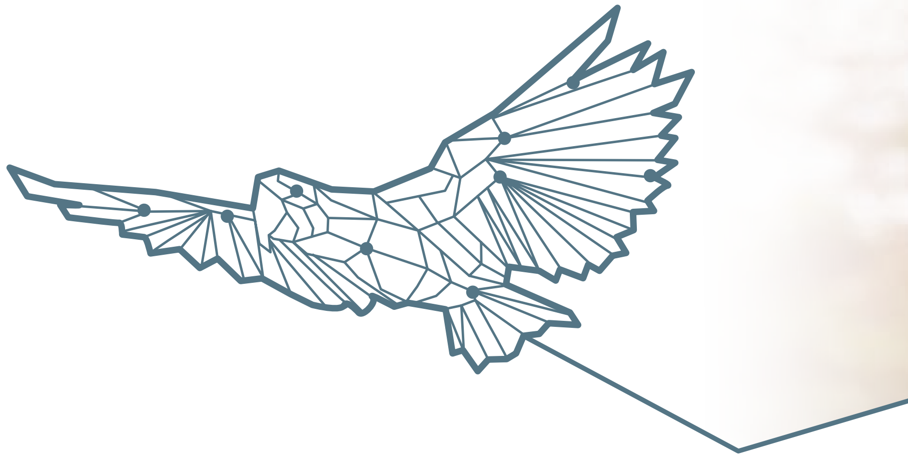
During FY2022, the Group was not involved in any non-compliance incidents relating to employment, health and safety, and labor standards that have significant impact on the Group.

V. OPERATING PRACTICES

1. Supply Chain Management

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

We have appointed a consultancy firm to coordinate the property redevelopment project at Fei Ngo Shan for us. We outsourced this project to a contractor following the strict



tendering requirement in evaluating and selecting contractors. The process included a background review, and the contractor that tendered for this project had to meet the requirements of qualifications, law compliance, technical standards, respect the spirit of agreements, reputation and so on. Our tendering process is fully transparent, and at the same time, we keep the tender confidential so as to prevent impacting its fairness and impartiality.

2. Service Responsibility

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

(1) Licenses and Registrations

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

(2) Know your Client

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

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

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

(3) Customer Data Protection and Privacy Policies

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

(4) Customer Complaints

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

The Group did not receive service-related complaints during FY2022.

(5) Integrity

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

(6) Intellectual Property Rights

The Group respects intellectual property rights. Employees are not allowed to possess or use copyrighted material without the permission of the copyright owners.

(7) Compliance

During FY2022, the Group was not involved in any violations or non-compliance incidents relating to customer services that had significant impact on the Group; Furthermore, the Group did not receive any complaints concerning breaches of customer data privacy, loss of customer data or intellectual property rights.

3. Anti-corruption

The Group firmly believes fairness, honesty and integrity are the important commercial assets of the Group. To comply with the "Prevention of Bribery Ordinance" enforced by the Hong Kong Independent Commission Against Corruption and other applicable laws and regulations, we have strengthened our internal control system, built honesty and trust, set up our operation mission with abidance by law, integrity and quality services as its cores. Incorporating with the practical circumstances of the Group, we have strengthened the system, brought the discipline inspection and supervision works into the operation process, ensured there were channels for reporting in strict confidentiality of cases of obtaining

personal interests in carrying out one's job duties, briberies, extortion, fraud, money laundering in breach of policies, laws and regulations. Disciplinary actions such as termination of employment will be taken against those employees who are in breach of the Group's code of conducts. We will keep on improving our whistleblowing system and are determined to combat corruption and contribute to building a clean society.

To comply with the anti-corruption laws including the "Prevention of Bribery Ordinance" (Cap. 201) enforced by the Hong Kong Independent Commission Against Corruption, and other anti-money laundering and counter-terrorist financing activities ordinances including the "Anti-Money Laundering and Counter-Terrorist Financing Ordinance" (Cap. 615), the "Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Ordinance 2018", the "Drug Trafficking (Recovery of Proceeds) Ordinance" (Cap. 405), the "Organized and Serious Crimes Ordinance" (Cap. 455), the "United Nations (Anti-Terrorism Measures) Ordinance" (Cap. 575), the "United Nations Sanctions Ordinance" (Cap. 537), the "Weapons of Mass Destruction (Control of Provision Of Services) Ordinance" (Cap. 526) and the Code of Conduct for Persons Registered with the Securities and Futures Commission, and to protect the interests of stakeholders, our employees are required to strictly comply with policies and procedures relevant to each particular transaction including the verification of the client's identity, assessment of the client's honesty, integrity, commercial ability and creditworthiness; and to keep documents and records properly. The Group has established the "Compliance Manual" and "Guidelines on Prevention of Money Laundering". To avoid dealing with potential money launderers, terrorist financiers or handling funds derived from any criminal activity, we refuse to operate any accounts for anonymous clients or in obviously fictitious names. Our employees are required to bring any suspicious transactions to the urgent attention of the compliance manager for review. The compliance manager will conduct a thorough investigation and determine whether suspicion remains. We have been providing appropriate training to our employees in the dealing department so that they understand the money laundering and counter-terrorism techniques; and we also remind our employees of their responsibilities with respect to anti-corruption. We shall update our employees to alert them of any new money laundering techniques being used from time to

time. The Group will arrange for its frontline employees to attend a seminar in relation to the anti-money laundering issues each year to refresh their understanding of those issues.

During FY2022, the Group and its employees were not involved in any litigation cases of corruption.

VI. COMMUNITY INVESTMENT

As a responsible corporate citizen, the Group invests its time, energy and resources to care for the community. We take a proactive approach to support the communities where we operate. In FY2022, we have again donated funds to the charitable event Love Teeth Day 2021/2022 for the purpose of enhancing oral health services for the needy.

Through our community investment activities, we wish to set a good example for others to follow, promote environmental protection, and help build a greener world. In FY2022, we participated in the "Lai See Reuse and Recycle Campaign" held by Greeners Action. FY2022 marks the 7th year of our participation in this campaign. This initiative is in line with the Group's recycling and reuse efforts as Greeners Action categorizes and repacks the red packets collected and distributes them to the public for recycle and reuse. The campaign aims to remind people to protect the environment while enjoying the Lunar New Year tradition. Moreover, in FY2022, we supported the Green Low Carbon Day held by the Community Chest of Hong Kong that allocates funds from this campaign to support "Green Related Projects". These projects included the provision of food rescue and assistance, promotion of culture of food cherishing, redistribution of community resources, as well as urban green and organic farm programs. Through the Group's donation to this campaign, we aim to promote the awareness and understanding of the sustainable development concept while at the same time, provide our support to meaningful green initiatives.

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

VII. ENVIRONMENTAL PERFORMANCE DATA SUMMARY

	Unit	FY2022	FY2021
Natural resources consumption			
Electricity:			
Total	MWh	**101.99**	107.54
Intensity[4]	MWh	**1.29**	1.25
Gasoline:			
Total	Tonnes	**6.78**	3.65
Intensity[4]	Tonnes	**0.09**	0.04
Greenhouse gas emissions ("GHG")			
Scope 1[1, 3]:			
Total	Tonnes	**24.89**	13.42
Intensity[4]	Tonnes	**0.32**	0.16
Scope 2[2, 3]:			
Total	Tonnes	**63.93**	67.60
Intensity[4]	Tonnes	**0.81**	0.79
Air emissions[3, 5]:			
Nitrogen oxides	Kilograms	**7.56**	3.84
Sulfur oxides	Kilograms	**0.14**	0.07
Particulate matters	Kilograms	**0.56**	0.28

Notes:

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

2 Scope 2 refers to the Group's business indirect GHG emissions, including consumption of purchased electricity.

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

4 Intensity is based on the number of employees.

5 Last year's comparative figures are restated to conform with the current year's presentation.

REPORT OF THE DIRECTORS

The Directors present their report and audited financial statements of the Company and the Group for FY2022.

PRINCIPAL ACTIVITIES

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

RESULTS AND DIVIDENDS

The Group's results for FY2022 and the state of affairs of the Group as at 31 March 2022 are set out in the consolidated financial statements on pages 82 to 171.

The Directors did not propose a payment of final dividend for FY2022.

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

BUSINESS REVIEW

Details of the business review and future development of the Group, as well as its principal risks and uncertainties, are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" on pages 12 to 25 of this annual report.

Environmental policy and performance

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

Relationship with stakeholders

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

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

Compliance with laws and regulations

For FY2022, as far as the Directors were aware, there were no material non-compliances with the applicable laws and regulations by the Group that has a significant impact on the Group's businesses and operations, which mainly included the SFO and Money Lenders Ordinance.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in property, plant and equipment and investment properties of the Group are set out in notes 14 and 15 to the consolidated financial statements respectively. Further details of the Group's investment properties are set out on page 173.

SHARE CAPITAL

Details of movements in the share capital of the Company are set out in note 30 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

RESERVES

Details of movements in the reserves of the Company during FY2022 are set out in note 37(b) to the consolidated financial statements. Details of movements in the reserves of the Group during FY2022 are set out on page 85.

DISTRIBUTABLE RESERVES

As at 31 March 2022, the Company's reserves available for distribution were HK$157,920,000. Under the laws of Bermuda, the Company's share premium account, in the amount of HK$191,551,000, may be distributed in the form of fully-paid bonus shares.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results, assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate, is set out on page 172. This summary does not form part of the audited consolidated financial statements.

DIRECTORS

The Directors of the Company in FY2022 and up to the date of this report are:

Executive Directors

Mr. Cheung Hoo Win (Chief Executive Officer)
Mr. Ng Yiu Chuen
Ms. Mak Kit Ping (resigned on 30 June 2021)

Independent Non-Executive Directors

Mr. Li Hancheng (Non-executive Chairman)
Mr. Lo Tsz Fung Philip
Ms. Ling Sui Ngor (appointed on 31 December 2021)
Mr. Yeung Shun Kee (passed away on 19 September 2021)

In accordance with the Company's Bye-Laws 102(B), Ms. Ling Sui Ngor shall hold office only until the forthcoming annual general meeting of the Company (the "**AGM**"), and shall then be eligible for re-election therein. In accordance with the Company's Bye-Laws 182(vi), Mr. Li Hancheng and Mr. Ng Yiu Chuen shall retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN SECURITIES

As at 31 March 2022, none of the Directors and chief executive of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO), or which were required pursuant to section 352 of the SFO to be entered in the register maintained by the Company referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "**Model Code**").

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors had a material interest, either direct or indirect, in any contract of significance to a business of the Group to which the Company or any of its subsidiaries was a party in FY2022.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained under Section 336 of the SFO shows that, as at 31 March 2022, the Company had been notified of the following interests in the Company:

	Number of ordinary shares	Percentage
Mr. Cheung Chi Shing ("**Mr. Cheung**") *(Note 1)*	156,413,810	22.05%
Ms. Yeung Han Yi Yvonne ("**Ms. Yeung**") *(Note 1)*	156,413,810	22.05%
Mr. Cheung Hoo Yin *(Note 2)*	38,816,381	5.47%

Notes:

1. Mr. Cheung is the spouse of Ms. Yeung. Mr. Cheung and Ms. Yeung, personally, held 112,148,360 and 18,299,534 ordinary shares of the Company respectively. They were also deemed to have interest in 25,965,916 ordinary shares held by K.Y. Limited ("**KY**"). KY is a wholly owned subsidiary of Kenvonia Holdings Limited, which was in turn held equally by Mr. Cheung and Ms. Yeung.

2. Mr. Cheung Hoo Yin is the son of Mr. Cheung and Ms. Yeung.

BONUS ISSUE OF WARRANTS

On 23 December 2020, the Board proposed a new issue of bonus warrants to the shareholders on the basis of 1 warrant for every 5 shares (the "**Bonus Issue of Warrants**"). For details of the Bonus Issue of Warrants, please refer to the announcement of the Company dated 23 December 2020 (the "**Announcement**"). On 26 January 2021, the shareholders approved the Bonus Issue of Warrants, pursuant to which 138,997,618 warrants were issued. The initial subscription price was HK$0.285 and the subscription period was from 17 February 2021 to 16 February 2022 (both days inclusive). Full exercise of the subscription rights attaching to the 138,997,618 warrants would result in the issue of 138,997,618 new shares. Details of the exercise of Bonus Issue of Warrants are set out as follows:

	Number of warrants	Amount HK$'000
Warrants issued	138,997,618	39,614
Warrants exercised during FY2021	(6,903,498)	(1,967)
At 31 March 2021	132,094,120	37,647
Warrants exercised during FY2022	(7,423,425)	(2,116)
Balance of warrants lapsed	124,670,695	35,531

As disclosed in the Announcement, the Group would apply any subscription monies received as and when the subscription rights were exercised (the "**Subscription Monies**") for the administrative expenses, and the financing or funding of the principal activities of the Group. As at 31 March 2022, all Subscription Monies has been applied for the purpose of financing and funding the Group's principal activities and administrative expenses.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "**Scheme**") which enables the Company to grant options to the participants in recognition of their contributions to the Group. Pursuant to the Scheme, the Directors may, within a period of 10 years from 21 September 2012 (the "**Adoption Date**"), grant options to any director or employee, adviser, consultant, agent, contractor, customer and supplier of the Group so that they can subscribe for the shares of the Company. As at 31 March 2022, the remaining life of the Scheme is approximately 6 months.

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

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

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

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

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

On 16 May 2019, the Company granted share options (the "**Share Options**") to employees and a consultant under the Scheme. The Share Options were vested immediately upon the date of grant and then exercisable within a period of three years. The adjusted closing price of the shares of the Company immediately before the date on which the Share Options were granted was HK$0.84. Each Share Option gives the holder the right to subscribe for one ordinary share in the Company. As at the date of the grant, the values of Share Options granted to the employees and the consultant of the Group were approximately HK$10,332,000 and HK$968,000 respectively.

The following table sets out the movements in the Share Options during FY2022:

					Adjusted number of share options				
Category of participants	Date of grant	Exercise period	Adjusted exercise price HK$	Adjusted average closing price for five business days preceding the date of grant HK$	At 1 April 2021	Granted during the year	Exercised during the year	Lapsed or cancelled during the year	At 31 March 2022
Employees	16 May 2019	16 May 2019 to 16 May 2022	0.83	0.83	35,575,000	–	–	(5,010,000)	30,565,000

As at 31 March 2022, the total number of shares available for issue upon the exercise of all share options granted or to be granted under the Scheme was 94,513,061 representing 13.3% of the issued shares of the Company as at that date. The balance of granted share options of 30,565,000 were lapsed on 16 May 2022.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during FY2022.

MAJOR CUSTOMERS

In FY2022, revenue from the Group's single largest and five largest customers combined accounted for approximately 18.83% and approximately 27.89%, respectively, of the Group's total revenue. In the Directors' opinion, the Group has no major suppliers in light of the nature of the Group's businesses.

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

CORPORATE GOVERNANCE

The Company is committed to maintain high standards of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the "Corporate Governance Report" on pages 62 to 71.

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITORS

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

On behalf of the Board
Ng Yiu Chuen
Executive Director

Hong Kong, 29 June 2022

The Board is committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, sustainable business growth and enhancing shareholders' value.

The Company has adopted the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Listing Rules as its own code of corporate governance practices. The Company has complied with the applicable code provisions of the CG Code during FY2022, except for certain deviations as specified below.

BOARD OF DIRECTORS

As at 31 March 2022, the Board comprised two executive Directors, namely Mr. Cheung Hoo Win (Chief Executive Officer) and Mr. Ng Yiu Chuen and three INEDs, namely Mr. Li Hancheng (Non-executive Chairman), Mr. Lo Tsz Fung Philip and Ms. Ling Sui Ngor. The Directors believe that the composition of the Board has a balance of skills and experience that is appropriate for the requirements of the businesses of the Group.

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

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

For FY2022, 13 board meetings (including 4 regular board meetings to which 14 days' notice was given to all Directors) and one general meeting of the Company was held. Due to the COVID-19 outbreak, the Company postponed to convene the fourth regular meeting for FY2022 to April 2022. Details of the Directors' attendance records are as follows:

	Number of board meetings attended	Number of general meeting attended
Executive Directors:		
Mr. Cheung Hoo Win (Chief Executive Officer)	11/11	1/1
Mr. Ng Yiu Chuen	13/13	1/1
Ms. Mak Kit Ping ("**Ms. Mak**") (note 1)	2/3	0/0
Independent Non-Executive Directors		
Mr. Li Hancheng (Non-executive Chairman)	9/9	1/1
Mr. Lo Tsz Fung Philip	9/9	1/1
Ms. Ling Sui Ngor ("**Ms. Ling**") (note 2)	2/2	0/0
Mr. Yeung Shun Kee ("**Mr. Yeung**") (note 3)	2/2	0/0

Note 1: Ms. Mak resigned on 30 June 2021.

Note 2: Ms. Ling was appointed on 31 December 2021.

Note 3: Mr. Yeung passed away on 19 September 2021.

FUNCTIONS OF THE BOARD

To avoid concentration of power in any one individual, a clear division of responsibilities between the Chairman and the Chief Executive Officer is crucial to the effective running of the Board and the day-to-day management of the Group's businesses. During FY2022, the positions of the Chairman and the Chief Executive Officer of the Company were held by two different Directors, namely Mr. Li Hancheng and Mr. Cheung Hoo Win. Their roles and duties are segregated with a clear division of responsibilities.

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

The Group strives to promote the culture of continued professional development among the members of the Group including the Directors. To ensure that the Directors' contribution to the Board remains informed and relevant, all of the Directors have participated in continuous professional development activities that were relevant to their performance of duties as Directors. According to the training records provided by the Directors, Mr. Li Hancheng, Mr. Lo Tsz Fung Philip and Ms. Ling Sui Ngor have also attended training courses, seminars or conferences to develop and refresh their knowledge and skills. In FY2022, certain materials on legislative and regulatory updates were circulated to the Directors for them to update themselves on changes of regulations. In addition, the Group has in place a continued learning sponsorship scheme to sponsor the members of the Group including the Directors for their continuous professional development.

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

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

In FY2022 and up to the date of this report, the Board has performed the corporate governance duties.

BOARD DIVERSITY POLICY

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

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

A female INED who possesses the necessary skills, experience and caliber appropriate to the Group's business was appointed during FY2022 and the Board believes that the Company has achieved its board gender diversity. The Group recognises the importance of the gender diversity not just at the board level but also at its workforce level. As at 31 March 2022, 45% of the Group's employees were female. The Group promotes an inclusive culture fostering diversity in the workplace and encourages its staff to speak up if they have concerns.

BOARD'S APPROACH TO ESG

The Board has the overall responsibility for the ESG strategy, reporting and determining the management approach taken in this area.

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

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

The Group has evaluated a number of environmental, social and operational related issues, and assessed their importance to stakeholders and the Group through various channels. This assessment helps to ensure that the Group's business objectives and development directions are in line with the expectations and requirements of its stakeholders. The matters of concern of the Group and its stakeholders are set out in the materiality matrix contained in the Environmental, Social and Governance Report.

BOARD COMMITTEES

Audit Committee

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

Three audit committee meetings were held for FY2022. The attendance of each member of the Audit Committee is set out as follows:

Members of the Audit Committee	Number of audit committee meetings attended
Mr. Lo Tsz Fung Philip (Chairman)	3/3
Mr. Li Hancheng	3/3
Ms. Ling Sui Ngor (note 1)	1/1
Mr. Yeung Shun Kee (note 2)	1/1

Note 1: Ms. Ling was appointed on 31 December 2021.

Note 2: Mr. Yeung passed away on 19 September 2021.

For FY2022, the Audit Committee had performed the following work:

(i) reviewed and approved the audit scope and fees proposed by the external auditor for the annual audit for the year ended 31 March 2022;

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

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

(iv) reviewed and recommended for the Board's approval of the consolidated financial statements and the related results announcement for the year ended 31 March 2021;

(v) reviewed and recommended for the Board's approval of the consolidated financial statements and the related results announcement for the six months ended 30 September 2021;

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

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

Remuneration Committee

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

Three remuneration committee meetings were held in FY2022. The attendance of each member of the Remuneration Committee is set out as follows:

Members of the Remuneration Committee	Number of remuneration committee meetings attended
Ms. Ling Sui Ngor (Chairman) (note 1)	1/1
Mr. Li Hancheng	3/3
Mr. Lo Tsz Fung Philip	3/3
Mr. Yeung Shun Kee (note 2)	1/1

Note 1: Ms. Ling was appointed on 31 December 2021.

Note 2: Mr. Yeung passed away on 19 September 2021.

The Remuneration Committee had performed the following work in FY2022:

(i) reviewed and approved the adjustment of remuneration and payment of bonus to an executive Director; and

(ii) reviewed and approved the remuneration package of the newly appointed INED.

Nomination Committee

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

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

Two nomination committee meetings were held in FY2022. The attendance of each member of the Nomination Committee is set out as follows:

Members of the Nomination Committee	Number of nomination committee meetings attended
Mr. Li Hancheng (Chairman)	2/2
Mr. Lo Tsz Fung Philip	2/2
Ms. Ling Sui Ngor (note 1)	0/0
Mr. Yeung Shun Kee (note 2)	1/1

Note 1: Ms. Ling was appointed on 31 December 2021.

Note 2: Mr. Yeung passed away on 19 September 2021.

The Nomination Committee had performed the following work in FY2022:

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

(ii) reviewed and recommended for the Board's approval the proposed resolutions for re-election of the retiring Directors at the 2021 AGM;

(iii) assessed the independence of the INEDs;

(iv) reviewed the board diversity policy; and

(v) Recommended to the Board on the nomination of an INED.

Directors' Securities Transactions

The Board has adopted the Model Code as its own code for securities transactions by Directors. All members of the Board have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out in the Model Code in FY2022.

AUDITORS' REMUNERATION

For FY2022, the remuneration paid or payable in respect of statutory audit, interim results review and internal controls review by the external auditors of the Company were approximately HK$830,000, HK$70,000 and HK$85,000 respectively.

SHAREHOLDERS' RIGHTS

Convening a Special General Meeting of the Company by Shareholders

In accordance with Article 62 of the articles of association of the Company, as provided by the Companies Act, a special general meeting can be convened on the requisition of shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company as at the date of the deposit carries the right of voting at general meetings of the Company. Such requisition must state the purposes of the meeting, and must be signed by the requisitionists and deposited at the registered office of the Company.

Procedures for Making Proposals at Shareholders' Meetings

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

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

The Company's Bye-laws

There were no significant changes in the Company's constitutional documents for FY2022.

SHAREHOLDERS AND INVESTORS RELATIONS

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

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

Procedures for Sending Enquiries to the Board

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

Telephone:	(852) 2959 7200
Facsimile:	(852) 2310 4824
E-mail address:	shareholder@styland.com

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

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges its responsibility for the preparation of the financial statements for each financial period, which shall give a true and fair view of the state of affairs of the Company. During FY2022, other than the disclosure in Note 2.1 to the consolidated financial statements, the Board was not aware of any other material uncertainties relating to events or conditions that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis.

All of the Directors acknowledged their responsibility for preparing the financial statements of the Company for FY2022.

The statement of the external auditor of the Company about its reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 76 to 81 of this annual report.

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

Risk Management and Internal Controls

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

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

The Board, through the Audit Committee, has delegated the internal audit function to an independent external assurance provider, who has conducted a review on the adequacy and effectiveness of the Group's risk management and internal control systems for FY2022.

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

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

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

Handling and Dissemination of Inside Information

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

On behalf of the Board
Cheung Hoo Win
Chief Executive Officer

Hong Kong, 29 June 2022

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Mr. Wang Chin Mong

AUDITOR

Grant Thornton Hong Kong Limited

LEGAL ADVISERS

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

As to Bermuda Law
Appleby

PRINCIPAL BANKERS

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

PRINCIPAL REGISTRAR

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

HONG KONG BRANCH REGISTRAR

Tricor Tengis Limited

Prior to 15 August 2022:
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

With effect from 15 August 2022:
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

PRINCIPAL PLACE OF BUSINESS

Room 1111, 11/F
Wing On Centre
111 Connaught Road Central
Sheung Wan
Hong Kong
Telephone: (852) 2959-3123
Facsimile: (852) 2310-4824
E-mail address: sty@styland.com

SHAREHOLDERS' SERVICE HOTLINE

Telephone: (852) 2959 7200
Facsimile: (852) 2310 4824
E-mail address: shareholder@styland.com

WEBSITE

http://www.styland.com

INVESTORS' WEBSITE

http://www.irasia.com/listco/hk/styland/

MR. CHEUNG HOO WIN

Chief Executive Officer and Executive Director

Mr. Cheung, aged 42, joined the Group in 2004. He was appointed executive Director in 2006 and Chief Executive Officer in 2009. Mr. Cheung graduated from Peking University (Department of International Economics and Trade). During his studies at Peking University, Mr. Cheung developed good business connections in the PRC. Previously, he worked for China Development Research Foundation, the subordinate unit of the Development Research Centre of the State Council, and was the vice-president of the Macau Energy Saving Association. Mr. Cheung is a member of the Hong Kong United Youth Association.

Mr. Cheung is responsible for the entire Group's business and development. He is also responsible for the Group's China related businesses as well as dealing with the Group's mainland customers which also have their operations in Hong Kong. Mr. Cheung is also one of the directors of the subsidiaries of the Company. Mr. Cheung is the son of Mr. Cheung Chi Shing and Ms. Yeung Han Yi Yvonne, and the brother of Mr. Cheung Hoo Yin. Mr. Cheung Chi Shing, Ms. Yeung Han Yi Yvonne and Mr. Cheung Hoo Yin are the substantial shareholders of the Company.

MR. NG YIU CHUEN

Executive Director

Mr. Ng, aged 63, joined the Group in 2010 as associate director of a subsidiary. He was appointed executive Director in December 2010. Mr. Ng obtained a bachelor's degree in Business Administration from City University of Hong Kong and was elected as Associate of The Hong Kong Institute of Bankers in 2002.

Mr. Ng has over 42 years of experience in the financing and asset management business. Prior to joining the Group, he had, for more than 18 years, held senior executive management roles and was responsible for overseeing the finance division and managing the portfolios of liquid assets for various well known international companies including GE Capital (Hong Kong) Limited and American Express Bank Limited. Mr. Ng is mainly responsible for the money lending business of the Group. Mr. Ng is also one of the directors of certain subsidiaries of the Company.

MR. LI HANCHENG

Non-Executive Chairman and Independent Non-Executive Director

Mr. Li, aged 59, was appointed independent non-executive Director of the Company in 2008 and the non-executive Chairman of the Company on 31 March 2020. He graduated from Southwest University of Political Science and Law in 1984. Mr. Li had previously worked at the Supreme People's Court of the People's Republic of China as a senior judge. He possesses extensive experience and practice in law.

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

MR. LO TSZ FUNG PHILIP

Independent Non-Executive Director

Mr. Lo, aged 55, was appointed as an independent non-executive Director in 2009. He graduated from the University of Wollongong, NSW Australia in 1992 with a Bachelor of Commerce degree. Currently, Mr. Lo is an independent director of Dragon Jade International Limited, a company listed on OTCQX in the United States. He also currently holds the positions of director and chief executive officer, chief financial officer as well as corporate secretary at China Keli Electric Company Limited, a company listed on the NEX board of TSX Venture Exchange in Canada. Mr. Lo is also the director and listing executive of Great Vision Capital Limited which is a listing advisor approved by the Dutch Caribbean Securities Exchange. Previously, he was an executive director of Golden Century International Holdings Group Limited (stock code: 91), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, for the period from 11 September 2019 to 1 July 2020.

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

MS. LING SUI NGOR

Independent Non-Executive Director

Ms. Ling, aged 50, was appointed independent non-executive Director of the Company in December 2021. She obtained a bachelor's degree in Business Administration (Honours) from Hong Kong Baptist University and a master's degree in Business Administration from the University of London. Ms. Ling has over 25 years of experience in auditing, finance and human resources. Prior to joining the Company, she held managerial roles for PricewaterhouseCoopers and other group companies of multinational corporations listed outside Hong Kong, and has participated in the work of certain initial public offering projects in Hong Kong. Ms. Ling also held senior executive management roles for certain well-known education and cultural organizations.

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

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

OPINION

We have audited the consolidated financial statements of Styland Holdings Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages 82 to 171 which comprise the consolidated statement of financial position as at 31 March 2022, 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 a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.1 to the consolidated financial statements, which indicate that the Group had net current liabilities of approximately HK$23,083,000 as at 31 March 2022. This condition, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

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

The key audit matters	How the matters were addressed in our audit
Expected credit losses ("ECL") allowance for loan receivables and accounts receivable *Refer to note 17 and note 18 to the consolidated financial statements, the accounting policies in note 2.7 and the critical judgment in applying the Group's accounting policies in note 4.2*	
As at 31 March 2022, the carrying amount of the Group's loan receivables and accounts receivable net of ECL allowance of HK$17,853,000 and HK$2,629,000 were HK$120,365,000 and HK$21,545,000 respectively. The Group's ECL allowance were based on management's estimate by taking into account of creditability of individual borrowers/clients and the historical credit loss experience, adjusted for factors that are specific to the individual borrowers/clients, the fair value of assets pledged as collateral and an assessment of both the current and forecast general economic conditions at the reporting date. We identified the ECL allowance for loan receivables and accounts receivable as a key audit matter due to estimation uncertainty inherent in the management's credit risk assessment process and the extent of judgement involved.	Our audit procedures in relation to the assessment of ECL allowance for loan receivables and accounts receivable included: — inquiring the management on the Group's established policies and procedures on credit risk management, assessing and evaluating the process with respect to identification of loan receivables from borrowers and accounts receivable from clients and the measurement of the ECL allowance; — evaluating the reasonableness of management's assessment on the credit quality of the borrowers/clients by examining, on sample basis, financial background, current creditworthiness, the collateral and past collection history of the borrowers/clients; — checking, on sample basis, the existence and estimation of the expected recoverable amount of the underlying collateral, if applicable; — reviewing the appropriateness of adjustments to the forward-looking information.

KEY AUDIT MATTERS *(CONTINUED)*

The key audit matters	How the matters were addressed in our audit
Valuation of investment properties *Refer to note 15 to the consolidated financial statements, the accounting policies in note 2.5 and the key sources of estimation uncertainty in note 4.1*	
As at 31 March 2022, the Group's investment properties amounted to HK$485,500,000, represented approximately 55% of the Group's total assets. As at 31 March 2022, all of the Group's investment properties were stated at fair value based on valuations performed by an independent qualified valuer (the "**Valuer**"). We identified the valuation of investment properties as a key audit matter due to the valuation is dependent on significant judgments and assumptions.	Our audit procedures in relation to the valuation of investment properties included: — evaluating the competency, capabilities and objectivity of the Valuer by taking into account of their independence, experience and qualifications; — assessing appropriateness of the methodologies and the key assumptions used in the valuation in arriving at the fair value of investment properties; and — assessing the reasonableness of key inputs used in the valuation by comparing with relevant market information with similar properties.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 June 2022

Lam Yau Hing
Practising Certificate No.: P06622

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
Turnover	6	**190,278**	213,256
Revenue	6	**39,302**	47,009
Costs of brokerage services		**(6,028)**	(3,919)
Other income	6	**3,247**	3,883
Administrative expenses		**(70,133)**	(68,114)
Selling and distribution expenses		**(2,754)**	(4,538)
Change in fair value of investment properties	15	**60,203**	(1,155)
Change in fair value of financial assets at fair value through profit or loss ("**FVTPL**")		**(3,883)**	(2,299)
(Loss)/Gain on disposal of financial assets at FVTPL		**(1,810)**	2,950
Expected credit losses ("**ECL**") recognised in respect of loan receivables	17	**(3,730)**	(8,089)
ECL recognised in respect of accounts receivable	18	**(364)**	(1,387)
ECL recognised in respect of other receivables	20	**(1,125)**	(3,846)
Reversal of ECL recognised in respect of loan receivables	17	**187**	7,177
Reversal of ECL recognised in respect of accounts receivable	18	**423**	629
Reversal of ECL recognised in respect of other receivables	20	**9**	390
Finance costs	8	**(6,161)**	(7,586)
Profit/(Loss) before taxation	7	**7,383**	(38,895)
Income tax credit	9	**6**	–
Profit/(Loss) and total comprehensive income/(expense) for the year		**7,389**	(38,895)
Earnings/(Loss) per share			
– Basic	13	**HK$0.01**	(HK$0.06)
– Diluted	13	**HK$0.01**	(HK$0.06)

The notes on pages 88 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	**10,527**	33,256
Investment properties	15	**485,500**	360,673
Intangible assets	16	**1,500**	1,500
Financial asset at FVTPL	21	**6,682**	6,497
Loan receivables	17	**37,316**	34,201
		541,525	436,127
Current assets			
Loan receivables	17	**83,049**	137,017
Accounts receivable	18	**21,545**	26,844
Contract asset	19	**–**	950
Other receivables, deposits and prepayments	20	**15,584**	12,172
Financial asset at fair value through other comprehensive income ("**FVOCI**")	39	**–**	–
Financial assets at FVTPL	21	**11,827**	23,405
Client trust funds	22	**117,098**	74,400
Cash and cash equivalents	23	**91,423**	114,614
		340,526	389,402
Total assets		**882,051**	825,529

Consolidated Statement of Financial Position

as at 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
Current liabilities			
Accounts payable	24	**124,933**	92,621
Contract liability	19	**–**	1,000
Other payables and accruals	25	**16,205**	5,329
Promissory note payables	26	**25,000**	57,650
Loans	27	**192,525**	172,555
Lease liabilities	28	**4,946**	4,403
		363,609	333,558
Net current (liabilities)/assets		**(23,083)**	55,844
Total assets less current liabilities		**518,442**	491,971
Non-current liabilities			
Convertible bonds	29	**21,993**	21,213
Promissory note payable	26	**10,000**	–
Lease liabilities	28	**6,623**	437
		38,616	21,650
Net assets		**479,826**	470,321
EQUITY			
Share capital	30	**70,932**	70,189
Reserves		**408,894**	400,132
Total equity		**479,826**	470,321

Cheung Hoo Win
Executive Director

Ng Yiu Chuen
Executive Director

The notes on pages 88 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2022

	Attributable to the owners of the Company								
	Share capital HK$'000	Share premium* HK$'000	Capital redemption reserve* HK$'000 (note 32(c))	Special capital reserve* HK$'000 (note 32(a))	Contributed surplus* HK$'000 (note 32(b))	Share option reserve* HK$'000	Convertible bonds reserve* HK$'000	Accumulated losses* HK$'000	Total HK$'000
At 1 April 2020	59,125	188,663	7,480	571,147	517,697	11,259	–	(856,137)	499,234
Loss and total comprehensive expense for the year	–	–	–	–	–	–	–	(38,895)	(38,895)
Transactions with owners:									
Dividend recognised as distribution (note 12)	–	–	–	–	(5,030)	–	–	–	(5,030)
Issue of convertible bonds (note 29)	–	–	–	–	–	–	2,433	–	2,433
Exercise of bonus warrants (note 30)	10,956	1,277	–	–	–	–	–	–	12,233
Issue of scrip shares (note 30)	108	238	–	–	–	–	–	–	346
Lapse of share options	–	–	–	–	–	(2,424)	–	2,424	–
Total transactions with owners	11,064	1,515	–	–	(5,030)	(2,424)	2,433	2,424	9,982
At 31 March 2021 and 1 April 2021	**70,189**	**190,178**	**7,480**	**571,147**	**512,667**	**8,835**	**2,433**	**(892,608)**	**470,321**
Profit and total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**7,389**	**7,389**
Transactions with owners:									
Exercise of bonus warrants (note 30)	**743**	**1,373**	**–**	**–**	**–**	**–**	**–**	**–**	**2,116**
Lapse of share options	**–**	**–**	**–**	**–**	**–**	**(1,244)**	**–**	**1,244**	**–**
Total transactions with owners	**743**	**1,373**	**–**	**–**	**–**	**(1,244)**	**–**	**1,244**	**2,116**
At 31 March 2022	**70,932**	**191,551**	**7,480**	**571,147**	**512,667**	**7,591**	**2,433**	**(883,975)**	**479,826**

* The reserves accounts comprise the Group's reserves of HK$408,894,000 (2021: HK$400,132,000) in the consolidated statement of financial position.

The notes on pages 88 to 171 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2022

	2022 HK$'000	2021 HK$'000
Cash flows from operating activities		
Profit/(Loss) before taxation	**7,383**	(38,895)
Adjustments for		
Change in fair value of financial assets at FVTPL	**3,883**	2,299
Change in fair value of investment properties	**(60,203)**	1,155
Depreciation	**5,456**	7,777
Finance costs	**6,161**	7,586
ECL recognised in respect of accounts receivable	**364**	1,387
ECL recognised in respect of loan receivables	**3,730**	8,089
ECL recognised in respect of other receivables	**1,125**	3,846
Impairment of right-of-use assets	**3,927**	1,656
Bank interest income	**(73)**	(151)
(Gain)/Loss on disposal of property, plant and equipment	**(117)**	60
Written off of long-aged payables	**(377)**	–
Bad debts written-off	**106**	28
Reversal of ECL recognised in respect of accounts receivable	**(423)**	(629)
Reversal of ECL recognised in respect of loan receivables	**(187)**	(7,177)
Reversal of ECL recognised in respect of other receivables	**(9)**	(390)
Operating loss before working capital changes	**(29,254)**	(13,359)
Decrease/(Increase) in accounts receivable	**5,358**	(13,638)
Decrease in loan receivables	**47,310**	25,036
Decrease/(Increase) in contract asset	**950**	(950)
Increase in other receivables, deposits, and prepayments	**(4,717)**	(4,460)
Decrease in financial assets at FVTPL	**7,554**	6,683
Increase in client trust funds	**(42,698)**	(17,546)
Increase in accounts payable	**32,312**	32,037
Decrease in contract liability	**(1,000)**	(1,125)
Decrease in other payables and accruals	**(377)**	(376)
Decrease in promissory note receivables	**–**	250
Cash generated from operating activities	**15,438**	12,552
Income taxes refund/(paid)	**4**	(40)
Net cash generated from operating activities	**15,442**	12,512

	2022 HK$'000	2021 HK$'000
Cash flows from investing activities		
Bank interest received	**73**	151
Payment to acquire property, plant and equipment	**(20,221)**	(10,215)
Proceeds from disposal of property, plant and equipment	**135**	571
Payment to acquire license right	**–**	(1,500)
Payment for the redevelopment project	**(5,635)**	(13,474)
Net cash used in investing activities	**(25,648)**	(24,467)
Cash flows from financing activities		
Proceeds from loans	**38,840**	51,500
Repayment of loans	**(18,914)**	(35,100)
Interest paid	**(6,680)**	(6,940)
Proceeds from issuance of convertible bonds	**–**	23,000
Proceeds from issuance of promissory note payables	**35,000**	70,380
Repayment of promissory note payables	**(57,650)**	(28,750)
Repayment of bond payable	**–**	(2,000)
Dividends paid	**–**	(4,684)
Proceeds from issuance of share capital	**2,116**	12,233
Payment of lease liabilities	**(5,697)**	(6,378)
Net cash (used in)/generated from financing activities	**(12,985)**	73,261
Net (decrease)/increase in cash and cash equivalents	**(23,191)**	61,306
Cash and cash equivalents at beginning of year	**114,614**	53,308
Cash and cash equivalents at end of year	**91,423**	114,614

The notes on pages 88 to 171 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

The Company was incorporated in Bermuda on 31 July 1991 as an exempted company with limited liability under the Companies Act of Bermuda. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of the registered office and principal place of business of the Company are Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda and 28th Floor, Aitken Vanson Centre, 61 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong respectively.

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

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

The consolidated financial statements for the year ended 31 March 2022 have been approved for issue by the board of directors (the "**Board**") on 29 June 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

In preparing the consolidated financial statements of the Group, the directors have given consideration to the future liquidity of the Group in light of its net current liabilities of approximately HK$23,083,000 as at 31 March 2022, this indicates a condition which may cast significant doubt about the Group's ability to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation *(Continued)*

The directors have reviewed the current performance and cash flows forecast prepared by the management as part of their assessment of the Group's ability to continue as a going concern, and after carefully considering the matters described below, the directors have a reasonable expectation that the Group is able to continue as a going concern for at least the next twelve months from the end of the reporting period and to meet its obligations, as and when they fall due, having regard to the following:

(i) the Group generated net cash inflows from its operating activities of approximately HK$15,442,000 for the year ended 31 March 2022 and expects to continue to generate sufficient cash flows to meet its liabilities as and when they fall due in the next twelve months;

(ii) As at 31 March 2022, included in the loans classified as current liabilities of HK$192,525,000, HK$140,040,000 represented the amount repayable after one year in accordance with scheduled repayment terms as set out in the loan agreements pursuant to which the lenders have the discretionary rights to demand for immediate repayment from the Group. Having taken into account of the Group's financial position, the directors believe that it is not probable that the lenders will exercise their discretionary rights to demand for immediate repayment; and

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation *(Continued)*

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

– investment properties;

– financial asset at FVOCI; and

– financial assets at FVTPL.

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

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.2 Basis of consolidation

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation *(Continued)*

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Foreign currency translation

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

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. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

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

2.4 Property, plant and equipment

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment *(Continued)*

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

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

2.5 Investment properties

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

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

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

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

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

2.6 Intangible asset

Intangible asset with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses and are tested for impairment as described below in note 2.15.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments

Recognition and derecognition

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

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

Financial assets

Classification and initial measurement of financial assets

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

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

– amortised cost;

– FVTPL; or

– FVOCI.

The classification is determined by both:

– the entity's business model for managing the financial asset; and

– the contractual cash flow characteristics of the financial asset.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial assets *(Continued)*

Subsequent measurement of financial assets

Debt investments

Financial assets at amortised cost

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

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

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

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

Financial assets at FVTPL

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

Equity investments

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial assets *(Continued)*

Subsequent measurement of financial assets *(Continued)*

Equity investments *(Continued)*

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

Impairment of financial assets and contract assets

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial assets *(Continued)*

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

Accounts receivable, loan receivables and contract assets

For accounts receivable, loan receivables and contract assets, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at each reporting date. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a probability-weighted loss default that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, accounts receivable, secured loan receivables and contract assets have been grouped based on shared credit risk characteristics. For unsecured loan receivables, the ECL is assessed individually for debtors. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the accounts receivable for the same types of contracts. The Group has therefore concluded that the ECL rates for accounts receivable are a reasonable approximation of the loss rates for the contract assets.

Other financial assets measured at amortised cost

The Group measures the loss allowance for other receivables and deposits equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial assets *(Continued)*

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

Other financial assets measured at amortised cost *(Continued)*

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial assets *(Continued)*

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

Other financial assets measured at amortised cost *(Continued)*

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

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

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

Financial liabilities

Classification and measurement of financial liabilities

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

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

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments *(Continued)*

Financial liabilities *(Continued)*

Convertible bonds

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

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

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

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

2.8 Cash and cash equivalents

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Contract assets and contract liabilities

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

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

2.10 Leases

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Leases *(Continued)*

Measurement and recognition of leases as a lessee

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

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

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

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

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

For lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of modification.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Leases *(Continued)*

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

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

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

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

2.11 Provisions and contingent liabilities

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

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

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

2.12 Share capital

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Revenue recognition

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

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

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

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

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

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

Commission income from brokerage

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

Fee income from corporate finance

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Revenue recognition *(Continued)*

Fee income from corporate finance *(Continued)*

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

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

Fee income from asset management

– asset management services income are recognised over time as the customers simultaneously receives and consumes the benefit provided by the Group.

Interest income from brokerage and other financing, and mortgage financing

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

Commission income from insurance brokerage

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

Dividend income

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

2.14 Government grants

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

Government grants relating to income are presented in gross under other income in the consolidated statement of profit or loss and other comprehensive income. Government grants that compensate the Group for expenses incurred are deducted against the related expense.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Impairment non-financial assets

The following assets are subject to impairment testing:

– Intangible asset;

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

– The Company's interests in subsidiaries

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Impairment non-financial assets *(Continued)*

Impairment loss is charged pro rata to the assets in the CGU, except that the carrying amount of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determined. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.16 Employee benefits

Retirement benefits scheme

Retirement benefits to employees are provided through defined contribution plans.

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

Payments to the MPF Scheme are recognised as expense when employees have rendered service entitling them to the contributions.

The Group's obligations under MPF Scheme are limited to the fixed percentage contributions payable.

Short-term employee benefits

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

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

Long service payments

Certain of the Group's employees have completed the required number of years of service to the Group in order to be eligible for long service payments under the Hong Kong Employment Ordinance ("**Employment Ordinance**") in the event of the termination of their employment under the circumstances specified in the Employment Ordinance. A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their service to the Group to the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Employee benefits *(Continued)*

Share-based employee compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the equity instruments awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the "share option reserve" in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

At the time when the share options are exercised, the amount previously recognised in "share option reserve" will be transferred to "share capital" and "share premium". After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in "share option reserve" will be transferred to "Accumulated losses".

2.17 Borrowing costs

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Accounting for income taxes

Income tax comprises current tax and deferred tax.

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Accounting for income taxes *(Continued)*

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

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

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences

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

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

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

2.19 Related parties

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

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

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

(ii) has significant influence over the Group; or

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Related parties *(Continued)*

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

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

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Fair value measurements

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

Level 1 valuations:	Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 valuations:	Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and not using significant unobservable inputs;
Level 3 valuations:	Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (significant unobservable inputs).

2.21 Segment reporting

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

3. NEW AND AMENDED HKFRSs

3.1 Amended HKFRSs that are effective for annual periods beginning on or after 1 April 2021

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2021:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	COVID-19-Related Rent Concessions
Amendment to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021

Except for those mentioned below, the adoption of the amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 "Interest Rate Benchmark Reform – Phase 2" ("Phase 2 Amendments")

The amendments relate to changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform, specific hedge accounting requirements and the related disclosure requirements applying HKFRS 7 Financial Instruments: Disclosures ("**HKFRS 7**").

As at 1 April 2021, the Group had several loans, the interests of which are indexed to benchmark rates that will or may be subject to interest rate benchmark reform. The following table shows the total amounts of these outstanding loans at 31 March 2022. The amounts are shown at their carrying amounts.

	HK$'000
Non-derivative financial liabilities	
Loan linked to USD LIBOR	4,671
Loans linked to HIBOR	141,008

The amendments have had no impact on the consolidated financial statements as none of the relevant loans have been transitioned to the relevant replacement rates during the year. The Group will apply the practical expedient in relation to the changes in contractual cash flows resulting from the interest rate benchmark reform for loans measured at amortised cost. Additional disclosures as required by HKFRS 7 are set out in note 39.2(ii).

3. NEW AND AMENDED HKFRSs (CONTINUED)

3.2 Issued but not yet effective HKFRSs

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

HKFRS 17	Insurance Contracts and related amendments[2]
Amendments to HKFRS 3	Reference to the Conceptual Framework[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
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 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[1]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[1]
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018 – 2020[1]
Accounting Guideline 5 (Revised)	Merge Accounting for Common Control Combinations[4]

1 Effective for annual periods beginning on or after 1 January 2022

2 Effective for annual periods beginning on or after 1 January 2023

3 Effective date not yet determined

4 Effective for business combinations/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022

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

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

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

3. NEW AND AMENDED HKFRSs (CONTINUED)

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

Amendments to HKAS 1 and HKFRS Practice Statement 2 "Disclosure of Accounting Policies" *(Continued)*

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

The amendments to HKAS 1 are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. Except for the disclosures of accounting policies in note 2 may need to be revised to cope with the above changes, the directors expect that the amendments have no other material impact on the consolidated financial statement.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

4.1 Sources of estimation uncertainty

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

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

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

The Group's carrying values of property, plant and equipment (other than right-of-use assets) as at 31 March 2022 was approximately HK$3,237,000 (2021: HK$30,208,000). The Group depreciates the property, plant and equipment (other than right-of-use assets) over the estimated useful lives, using the straight line method, at the rate of 15–25% per annum, commencing from the date the property, plant and equipment is available for use. The estimated useful life reflects the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment (other than right-of-use assets). The Group assesses annually the useful lives of property, plant and equipment (other than right-of-use assets) and if the expectation differs from the original estimate, such a difference may impact the depreciation for the year and the future period.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Sources of estimation uncertainty *(Continued)*

Estimated fair value

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

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

As at 31 March 2022, the Group's investment properties are stated at fair value of HK$485,500,000 (2021: HK$360,673,000) based on the valuations performed by independent qualified valuers. The best evidence of fair value is current prices in an active market for similar property in the same location and condition and subject to the same lease or other contracts. In the absence of such information, the valuers determine the fair values of investment properties with different valuation techniques which involves significant unobservable inputs, details of which are as set out in note 15. Favorable or unfavorable changes to these significant unobservable inputs would result in changes in the fair value of the Group's investment properties and corresponding adjustments to the amount of gain or loss reported in the consolidated statement of profit or loss and other comprehensive income.

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

Items of property, plant and equipment (note 14) are tested for impairment if there is any indication that the carrying value of these assets may not be recoverable and the assets are subject to an impairment loss. This process requires management's estimate of future cash flows generated by each CGU. For any instance where this evaluation process indicates impairment, the relevant asset's carrying amount is written down to the recoverable amount and the amount of the write-down is charged against the consolidated statement of profit or loss and other comprehensive income. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. During the year ended 31 March 2022, impairment loss of HK$3,927,000 (2021: HK$1,656,000) was recognised on property, plant and equipment.

The Group has identified several CGUs to assess the impairment loss of property, plant and equipment based on recoverable amount of each CGUs to which property, plant and equipment is allocated. The impairment loss provided for the year was derived from the CGUs of brokerage financing, assets management and securities trading (2021: CGUs of corporate finance and securities trading).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Sources of estimation uncertainty *(Continued)*

The recoverable amounts of the respective CGUs have been determined based on value in use calculations, which use cashflow forecast available as at 31 March 2022. Fair value less costs of disposal is not used as the management considered that it will not be possible to measure fair value less costs of disposal of the CGUs because there is no basis for making a reliable estimate of the price. These cashflow forecasts are derived from the approved business plan which has 5 years (2021: 1 year) forecast. The key assumptions used in the value in use calculations on the CGUs are as follows:

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

- The cash flow projections are discounted using a discount rate ranged from 8.45% to 8.90% (2021:9.09%). The discount rates reflect the current market assessments of the time value of money and are based on the estimated cost of equity and cost of debt.

The discount rate is considered as the key unobservable input, an increase in the discount rate would decrease the recoverable value of the corresponding CGU. As at 31 March 2022 and 2021, it is estimated that with all other variables held constant, an 1% increase/decrease in discount rate would not have impact on the recoverable amount of the CGUs.

Impairment of license right

In determining whether license right is impaired requires an estimation of the value in use of the CGUs to which license right has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2022, an impairment loss of HK$3,386,000 (2021: HK$3,386,000) has been recognised for license right. The carrying amount as at 31 March 2022 was HK$1,500,000 (2021: HK$1,500,000). Details of the impairment testing on license right are set out in note 16.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.2 Critical judgements in applying the Group's accounting policies

ECL on financial assets and contract assets

The Group makes allowances on items subjects to ECL (including accounts receivable, contract assets, loan receivables and other financial assets measured at amortised cost) based on assumptions in determining the probability of default and loss given defaults. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions, collateral as well as forward-looking estimates at the end of each reporting period as set out in note 2.7.

As at 31 March 2022, the carrying amount of accounts receivable is approximately HK$21,545,000 (net of ECL allowance of approximately HK$2,629,000), the carrying amount of loan receivables is approximately HK$120,365,000 (net of ECL allowance of approximately HK$17,853,000).

As at 31 March 2021, the carrying amount of accounts receivable is approximately HK$26,844,000 (net of ECL allowance of approximately HK$5,947,000), the carrying amount of loan receivables is approximately HK$171,218,000 (net of ECL allowance of approximately HK$14,311,000), the carrying amount of contract assets is HK$950,000 (net of ECL allowance of HK$Nil).

5. SEGMENT INFORMATION

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

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

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

– the insurance brokerage segment engages in insurance brokerage services and acting as a mandatory provident fund intermediary;

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

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

5. SEGMENT INFORMATION (CONTINUED)

For the purposes of current year's presentation, the segment information of insurance brokerage previously included in unallocated item has been presented as a single segment separately. As such, the comparative figures have been restated accordingly.

Segment revenue and results

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

For the year ended 31 March 2022

	Financial services HK$'000	Mortgage financing HK$'000	Insurance brokerage HK$'000	Property development and investment HK$'000	Securities trading HK$'000	Eliminations HK$'000	Total HK$'000
Segment revenues:							
Revenue from external customers	21,760	16,614	815	–	113	–	39,302
Inter-segment revenue	238	–	–	–	–	(238)	–
	21,998	16,614	815	–	113	(238)	39,302
Segment results	(29,428)	7,931	(757)	58,534	(6,586)	–	29,694
Unallocated income							147
Unallocated expenses							(22,458)
Profit before taxation							7,383

For the year ended 31 March 2021 (Restated)

	Financial services HK$'000	Mortgage financing HK$'000	Insurance brokerage HK$'000	Property development and investment HK$'000	Securities trading HK$'000	Eliminations HK$'000	Total HK$'000
Segment revenues:							
Revenue from external customers	25,001	21,566	–	–	442	–	47,009
Inter-segment revenue	335	–	–	–	–	(335)	–
	25,336	21,566	–	–	442	(335)	47,009
Segment results	(26,502)	13,858	–	(2,510)	274	–	(14,880)
Unallocated income							306
Unallocated expenses							(24,321)
Loss before taxation							(38,895)

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results *(Continued)*

The accounting policies of the reportable segments described in note 2.21 are the same as the Group's accounting policies. Segment results represent the results from each segment without allocation of unallocated administrative expenses, unallocated sundry income, unallocated directors' remunerations, bank interest income and finance costs (other than interest on lease liabilities). This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Inter-segment revenue are charged at prevailing market rates.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

As at 31 March 2022

	Financial services HK$'000	Mortgage financing HK$'000	Insurance brokerage HK$'000	Property development and investment HK$'000	Securities trading HK$'000	Unallocated HK$'000	Total HK$'000
Segment assets	**179,884**	**100,500**	**1,741**	**486,639**	**11,827**	**101,460**	**882,051**
Segment liabilities	**137,956**	**35,631**	**230**	**150,888**	**14,035**	**63,485**	**402,225**

As at 31 March 2021 (Restated)

	Financial services HK$'000	Mortgage financing HK$'000	Insurance brokerage HK$'000	Property development and investment HK$'000	Securities Trading HK$'000	Unallocated HK$'000	Total HK$'000
Segment assets	149,132	137,937	–	389,300	23,405	125,755	825,529
Segment liabilities	134,562	24,119	–	144,172	24,035	28,320	355,208

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

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

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

5. SEGMENT INFORMATION (CONTINUED)

Other segment information

For the year ended 31 March 2022:

	Financial services HK$'000	Mortgage financing HK$'000	Insurance brokerage HK$'000	Property development and investment HK$'000	Securities trading HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measurement of segment profit or loss or segment assets							
Change in fair value of investment properties	–	–	–	60,203	–	–	60,203
Change in fair value of financial assets at FVTPL	–	–	–	–	(4,024)	141	(3,883)
Loss on disposal of financial assets at FVTPL	–	–	–	–	(1,810)	–	(1,810)
ECL recognised in respect of loan receivables	(3,730)	–	–	–	–	–	(3,730)
ECL recognised in respect of accounts receivable	(364)	–	–	–	–	–	(364)
ECL recognised in respect of other receivables	(1,125)	–	–	–	–	–	(1,125)
Reversal of ECL recognised in respect of loan receivables	187	–	–	–	–	–	187
Reversal of ECL recognised in respect of accounts receivable	423	–	–	–	–	–	423
Reversal of ECL recognised in respect of other receivables	9	–	–	–	–	–	9
Impairment loss on right-of-use assets	(3,927)	–	–	–	–	–	(3,927)
Depreciation — owned assets	(542)	(9)	(4)	(196)	–	(363)	(1,114)
Depreciation — right-of-use assets	(2,785)	(277)	–	–	–	(1,280)	(4,342)
(Loss)/Gain on disposal of property, plant and equipment	–	(18)	–	–	–	135	117
Gain on exchange difference, net	949	–	–	10	–	70	1,029
Additions to non-current assets (note)	11,582	564	–	35,873	–	1,826	49,845
Amounts regularly provided to chief operating decision makers but not included in the measurement of segment profit or loss or segment assets:							
Interest income	–	–	–	–	–	73	73
Finance costs	(170)	(6)	–	–	–	(5,985)	(6,161)
Income tax credit	6	–	–	–	–	–	6

Note: The amounts exclude the addition to loan receivables and financial assets at FVTPL.

5. SEGMENT INFORMATION (CONTINUED)

Other segment information *(Continued)*

For the year ended 31 March 2021 (Restated):

	Financial services HK$'000	Mortgage financing HK$'000	Insurance brokerage HK$'000	Property development and investment HK$'000	Securities trading HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measurement of segment profit or loss or segment assets							
Change in fair value of investment properties	–	–	–	(1,155)	–	–	(1,155)
Change in fair value of financial assets at FVTPL	–	–	–	–	(2,517)	218	(2,299)
Gain on disposal of financial assets at FVTPL	–	–	–	–	2,950	–	2,950
ECL recognised in respect of loan receivables	(4,639)	(3,450)	–	–	–	–	(8,089)
ECL recognised in respect of accounts receivable	(1,387)	–	–	–	–	–	(1,387)
ECL recognised in respect of other receivables	(3,733)	(113)	–	–	–	–	(3,846)
Reversal of ECL recognised in respect of loan receivables	2,664	4,513	–	–	–	–	7,177
Reversal of ECL recognised in respect of accounts receivable	629	–	–	–	–	–	629
Reversal of ECL recognised in respect of other receivables	–	390	–	–	–	–	390
Bad debt recovery for loan receivables	96	–	–	–	–	–	96
Impairment loss on right-of-use assets	(1,656)	–	–	–	–	–	(1,656)
Depreciation — owned assets	(795)	(26)	–	(192)	–	(161)	(1,174)
Depreciation — right-of-use assets	(5,022)	(277)	–	–	–	(1,304)	(6,603)
Loss on disposal of property, plant and equipment	(31)	–	–	–	–	(29)	(60)
Gain/(Loss) on exchange difference, net	357	–	–	(9)	–	7	355
Additions to non-current assets (note)	555	–	–	16,224	–	4,421	21,200
Amounts regularly provided to chief operating decision makers but not included in the measurement of segment profit or loss or segment assets:							
Interest income	–	–	–	–	–	151	151
Finance costs	(236)	(16)	–	–	–	(7,334)	(7,586)

Note: The amounts excluded the additions to loan receivables and financial assets at FVTPL.

5. SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's operations are located in Hong Kong. All of the Group's non-current assets (excluding financial assets at FVTPL and loan receivables) are located in Hong Kong. In addition, all of the Group's revenue during the years ended 31 March 2022 and 2021 were derived from Hong Kong.

Information about major customers

Revenue from customers which individually contributed over 10% of the Group's revenue during the years ended 31 March 2022 and 2021 is as follows:

	2022 **HK$'000**	2021 HK$'000
Customer A – financial services segment	**7,399**	N/A*

* The corresponding revenue did not individually contribute over 10% of the Group's revenue during the year ended 31 March 2021

6. TURNOVER, REVENUE AND OTHER INCOME

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

	2022 HK$'000	2021 HK$'000
Turnover and revenue		
Financial services		
Fees and commission income from:		
Brokerage income	**13,761**	9,692
Corporate finance		
– Sponsor fee income	**1,000**	4,025
– Financial advisory services income	**967**	967
– Placing and underwriting services income	**493**	811
Assets management income	**48**	142
Interest income from brokerage and other financing	**5,491**	9,364
	21,760	25,001
Insurance brokerage		
Commission income	**815**	–
Mortgage financing		
Interest income from mortgage financing	**16,614**	21,566
Securities trading		
Dividend income	**113**	442
Revenue for the year	**39,302**	47,009
Proceeds from trading of securities	**150,976**	166,247
Turnover for the year	**190,278**	213,256
Other income		
Bank interest income	**73**	151
Written off of long-aged payables	**377**	–
Bad debt recovery from loan receivables	**–**	96
Insurance brokerage commission income	**–**	141
Consultancy fee income	**70**	961
Gain on exchange difference, net	**1,029**	355
Penalty interest income	**72**	118
Government subsidy to licensed corporation of SFC	**–**	100
Sundry income	**1,626**	1,961
	3,247	3,883

6. TURNOVER, REVENUE AND OTHER INCOME (CONTINUED)

Disaggregation of revenue from contracts with customers

The Group derives revenue recognised over time and at a point in time from its fees and commission income from brokerage, insurance brokerage and corporate finance as follows:

	2022 HK$'000	2021 HK$'000
Timing of revenue recognition		
– At a point in time	**15,117**	10,645
– Over time	**1,967**	4,992
	17,084	15,637

7. PROFIT/(LOSS) BEFORE TAXATION

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

	2022 HK$'000	2021 HK$'000
Staff costs (including directors' emolument):		
– salaries, allowances and other benefits (note)	**38,960**	35,788
– retirement benefit scheme contributions	**1,172**	1,253
Auditor's remuneration	**830**	830
Bad debt written off	**106**	28
Depreciation		
– owned assets	**1,114**	1,174
– right-of-use assets	**4,342**	6,603
Gain on exchange difference, net	**(1,029)**	(355)
(Gain)/Loss on disposal of property, plant and equipment	**(117)**	60
Impairment loss on right-of-use assets	**3,927**	1,656
Lease payment for short-term leases	**279**	225

Note: For the year ended 31 March 2022, the Group has obtained subsidies of HK$360,000 (2021: HK$Nil) from FinTech Anti-epidemic Scheme and Financial Industry Recruitment Scheme, and HK$Nil (2021: HK$4,478,000) from Employment Support Scheme under the Anti-epidemic Fund launched by the Government of Hong Kong Special Administrative Region in respect of the outbreak of novel coronavirus (COVID-19) and are netted off from the salaries, allowances and other benefits.

8. FINANCE COSTS

	2022 HK$'000	2021 HK$'000
Interest on:		
– secured bank loans	**3,473**	4,404
– bank overdraft	**109**	1
– promissory note payables	**1,495**	1,773
– other secured loans	**15**	101
– loans from brokers for IPO subscription	**157**	1,512
– lease liabilities	**203**	292
– bond interest	**–**	147
– convertible bonds	**2,160**	1,342
	7,612	9,572
Less: Loan interest capitalised (note 15)	**(1,451)**	(1,986)
	6,161	7,586

9. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been provided in the consolidated financial statements for the years ended 31 March 2022 and 2021 as the Company and its subsidiaries either has available losses brought forward from prior years to offset the assessable profits generated during the year or did not generate any assessable profits arising from Hong Kong during the year.

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of assessable profits of qualifying entities will be taxed at 8.25%, and the assessable profits above HK$2,000,000 will be taxed at 16.5%.

	2022 HK$'000	2021 HK$'000
Current tax		
Hong Kong profits tax		
– Current year	**–**	–
– Over provision in respect of prior year	**(6)**	–
	(6)	–

9. INCOME TAX CREDIT (CONTINUED)

Reconciliation between tax expense and accounting profit/(loss) at applicable tax rates:

	2022 **HK$'000**	2021 HK$'000
Profit/(Loss) before taxation	**7,383**	(38,895)
Tax at applicable income tax rate	**1,218**	(6,418)
Tax effect of expenses not deductible for tax purpose	**1,545**	2,091
Tax effect of income not taxable for tax purpose	**(10,374)**	(698)
Tax effect of temporary differences not recognised	**(203)**	(42)
Tax effect of tax losses not recognised	**8,191**	5,067
Utilization of tax loss previously not recognised	**(377)**	–
Over provision in respect of prior years	**(6)**	–
Income tax credit	**(6)**	–

As at 31 March 2022, the Group has unused tax losses of approximately HK$546,502,000 (2021: HK$467,543,000) available for offset against future profits. No deferred tax asset has been recognised of such losses due to the unpredictability of future profit streams for certain subsidiaries. The tax losses are subject to the agreement from the Hong Kong Inland Revenue Department and may be carried forward indefinitely.

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

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

		Other emoluments			
Year ended 31 March 2022	Fees HK$'000	Salaries, allowances and other benefits HK$'000	Discretionary bonus HK$'000	Retirement benefit scheme contributions HK$'000	Total HK$'000
Name of Director					
Executive Directors					
Cheung Hoo Win (Chief Executive Officer)	–	618	–	18	636
Ng Yiu Chuen	–	1,296	260	18	1,574
Mak Kit Ping (note c)	–	233	–	12	245
*Independent Non-Executive Directors ("**INEDs**")*					
Yeung Shun Kee (note a)	50	–	–	–	50
Li Hancheng (Non-executive Chairman)	150	–	–	–	150
Ling Sui Ngor (note b)	38	–	–	–	38
Lo Tsz Fung Philip	150	–	–	–	150
	388	2,147	260	48	2,843

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

Year ended 31 March 2021	Fees HK$'000	Other emoluments Salaries, allowances and other benefits HK$'000	Other emoluments Discretionary bonus HK$'000	Other emoluments Retirement benefit scheme contributions HK$'000	Total HK$'000
Name of Director					
Executive Directors					
Cheung Hoo Win (Chief Executive Officer)	–	618	–	18	636
Ng Yiu Chuen	–	1,104	560	18	1,682
Mak Kit Ping	–	1,086	–	47	1,133
*Independent Non-Executive Directors ("**INEDs**")*					
Yeung Shun Kee	100	–	–	–	100
Li Hancheng (Non-executive Chairman)	150	–	–	–	150
Lo Tsz Fung Philip	150	–	–	–	150
	400	2,808	560	83	3,851

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2021: Nil).

There were no arrangements under which a director waived or agreed to waive any remuneration during the year (2021: Nil).

Notes:

(a) Passed away on 19 September 2021.

(b) Appointed on 31 December 2021.

(c) Resigned on 30 June 2021.

11. FIVE HIGHEST PAID INDIVIDUALS

During the year ended 31 March 2022, one (2021: one) director of the Company was the five highest paid individuals, whose emoluments have been included in note 10 above. The emoluments of the remaining four (2021: four) individuals for the years ended 31 March 2022 were as follows:

	2022 HK$'000	2021 HK$'000
Salaries, allowances and other benefits	10,336	9,677
Retirement benefit scheme contributions	65	72
	10,401	9,749

No emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2021: Nil).

The emoluments fall within the following bands:

	Number of employees	
	2022	2021
Emolument bands:		
HK$1,000,001 to HK$1,500,000	–	1
HK$1,500,001 to HK$2,000,000	2	2
HK$2,000,001 to HK$2,500,000	–	–
HK$2,500,001 to HK$3,000,000	–	–
HK$3,000,001 to HK$3,500,000	1	–
HK$3,500,001 to HK$4,000,000	1	–
HK$4,000,001 to HK$4,500,000	–	–
HK$4,500,001 to HK$5,000,000	–	1
	4	4

12. DIVIDENDS

	2022 HK$'000	2021 HK$'000
Dividends recognised as distribution during the year:		
2020/21 interim dividend — HK0.725 cents per share with a scrip alternative	–	5,030
	–	5,030

13. EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings per share (2021: loss per share) was based on the profit for the year attributable to the owners of the Company of HK$7,389,000 (2021: loss of HK$38,895,000) and the weighted average number of 703,533,107 ordinary shares (2021: 662,615,885 ordinary shares as adjusted for the Share Consolidation (as defined in note 30)) in issue during the year ended 31 March 2022.

The calculation of diluted earnings per share for the year ended 31 March 2022 was based on the profit for the year attributable to the owners of the Company of HK$7,389,000 and the weighted average number of 703,533,107 ordinary shares in issue during the year and adjusting for the potential dilutive ordinary shares of 2,994,516 arising from the outstanding warrants granted. The computation of diluted earnings per share has not assumed the conversion of the Company's convertible bonds (note 29) since the conversion would result in an increase in earnings per share. Also, it has not assumed the exercise of share options (note 31), since the exercise price for the share options was higher than the average market price of the shares in issue.

Diluted loss per share for the years ended 31 March 2021 were the same as the basic loss per share. The computation of diluted loss per share has not assumed the exercise or conversion of the Company's outstanding warrants (note 30) or convertible bonds (note 29) since the exercise or conversion would result in a decrease in loss per share. Also, it has not assumed the exercise of share options (note 31), since the exercise price for the share options was higher than the average market price of the shares in issue.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Motor vehicles HK$'000	Premises held under leases HK$'000	Total HK$'000
Cost					
At 1 April 2021	**30,919**	**8,173**	**2,876**	**15,392**	**57,360**
Additions	**27,026**	**849**	**1,390**	**–**	**29,265**
Lease modification	**–**	**–**	**–**	**12,511**	**12,511**
Disposals	**–**	**(78)**	**(837)**	**–**	**(915)**
Written-off	**–**	**–**	**–**	**(13,008)**	**(13,008)**
Reclassify to investment properties (note 15)	**(55,104)**	**–**	**–**	**–**	**(55,104)**
At 31 March 2022	**2,841**	**8,944**	**3,429**	**14,895**	**30,109**
Accumulated depreciation and impairment					
At 1 April 2021	**2,163**	**7,312**	**2,285**	**12,344**	**24,104**
Charge for the year	**357**	**430**	**327**	**4,342**	**5,456**
Written back upon disposals	**–**	**(60)**	**(837)**	**–**	**(897)**
Written back upon written-off	**–**	**–**	**–**	**(13,008)**	**(13,008)**
Impairment loss recognised	**–**	**–**	**–**	**3,927**	**3,927**
At 31 March 2022	**2,520**	**7,682**	**1,775**	**7,605**	**19,582**
Net book value					
At 31 March 2022	**321**	**1,262**	**1,654**	**7,290**	**10,527**
Cost					
At 1 April 2020	21,536	9,605	3,013	14,406	48,560
Additions	9,383	133	699	2,643	12,858
Disposal	–	(559)	–	–	(559)
Written-off	–	(1,006)	(836)	–	(1,842)
Termination of lease	–	–	–	(1,657)	(1,657)
At 31 March 2021	30,919	8,173	2,876	15,392	57,360
Accumulated depreciation and impairment					
At 1 April 2020	1,658	8,304	2,394	5,742	18,098
Charge for the year	505	542	127	6,603	7,777
Written back upon disposals	–	(528)	–	–	(528)
Written back upon written-off	–	(1,006)	(236)	–	(1,242)
Termination of lease	–	–	–	(1,657)	(1,657)
Impairment loss recognised	–	–	–	1,656	1,656
At 31 March 2021	2,163	7,312	2,285	12,344	24,104
Net book value					
At 31 March 2021	28,756	861	591	3,048	33,256

14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year ended 31 March 2022, included in additions to leasehold improvements, HK$26,777,000 (2021: HK$9,383,000) were related to the renovation work in progress of the Group's investment property under construction. As at 31 March 2021, leasehold improvement included renovation work in progress for the Group's investment property under construction was approximately HK$28,327,000. Upon completion of investment property, the renovation cost of HK$55,104,000 was reclassified to investment property.

As at 31 March 2022 and 2021, premises held under leases of the Group's right-of-use assets in relation to office premises. The details of lease modification to right-of-use assets during the years ended 31 March 2022 and 2021 are set out in note 28.

At 31 March 2022, the recoverable amounts of the Group's property, plant and equipment, attributable to the respective CGUs has been determined based on a value in use estimation. The value in use estimation adopted the discounted cash flow method, net of future cash outflow using a discount rate of weighted average cost of capital. When actual cash flow differs materially from the estimated cash flow, adjustments have been made to the estimated value in use. Detail of key assumption and sensitivity analysis were disclosed in note 4.1.

As at 31 March 2022, the futures brokerage, assets management services CGU and securities trading CGUs estimated a cash outflows during the forecast period, the recoverable amounts of the brokerage financing, assets management services and securities trading were HK$Nil, and HK$Nil and HK$Nil respectively. As at 31 March 2021, the corporate finance CGU and the securities trading CGU estimated a cash outflows during the forecast period, the recoverable amounts of the corporate finance CGU and securities trading CGU were HK$Nil and HK$Nil respectively.

The management estimated the recoverable amounts and recognised relevant impairment loss as a result of the general economic uncertainty caused by COVID-19. The overall valuations are sensitive to all assumptions. Management considers the range of reasonably possible alternative assumptions is the greatest for value in use and that there is an interrelationship between these inputs.

15. INVESTMENT PROPERTIES

	2022 HK$'000	2021 HK$'000
At 1 April	**360,673**	353,000
Subsequent expenditures capitalised	**8,069**	6,842
Finance costs capitalised (note 8)	**1,451**	1,986
Reclassify from property, plant and equipment (note 14)	**55,104**	–
Changes in fair value recognised in profit or loss	**60,203**	(1,155)
At 31 March	**485,500**	360,673
Represents:		
Investment properties		
– Under construction	**–**	319,673
– Completed	**485,500**	41,000
	485,500	360,673

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

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

At the end of the reporting period, the Group's investment properties of approximately HK$485,500,000 (2021: HK$360,673,000) have been pledged to secure the loans granted to the Group (note 27).

The fair value of the completed investment properties as at 31 March 2022 and 2021 were revalued by Jones Lang LaSalle Limited, the independent qualified valuer who has the recent experience in the location and category of property being valued, which was based on the direct comparison approach, assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the relevant market while appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the subject property (the "**Price Adjustment**").

The fair value of the investment property under construction as at 31 March 2021 was revalued by Jones Lang LaSalle Limited by using the residual approach with reference to estimated sales prices of similar completed property allowing for the outstanding development cost, primarily construction cost to complete and developer's profit. The estimated sales prices were determined based on the direct comparison approach by making reference to comparable sales transactions as available in the relevant market with appropriate Price Adjustment.

15. INVESTMENT PROPERTIES (CONTINUED)

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

	Significant unobservable inputs	Range of unobservable inputs 2022	Range of unobservable inputs 2021	Relationship of unobservable inputs to fair value
Investment property – under construction	Price Adjustment	N/A	6.2%	The higher the Price Adjustment, the higher the fair value.
	Developer's profit	N/A	7.5%	The higher the developer's profit, the lower the fair value.
Investment properties – completed	Price Adjustment	(13.67%) to 9.74%	(11.31%) to 0.55%	The higher the Price Adjustment, the higher the fair value.

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

There were no changes to the valuation techniques during the years ended 31 March 2022 and 2021.

16. INTANGIBLE ASSETS

	HK$'000
Cost	
At 1 April 2020 (note a)	3,386
Acquisition (note b)	1,500
At 31 March 2021, 1 April 2021 and **31 March 2022**	4,886
Accumulated impairment	
At 1 April 2020, 31 March 2021, 1 April 2021 and **31 March 2022**	3,386
Carrying amount	
At 31 March 2022	1,500
At 31 March 2021	1,500

Note a: The intangible asset represents a license right acquired as part of a business combination of Ever-Long Capital Management Limited. The license carries a right to conduct asset management business in Hong Kong, and has no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the license right is considered by the management of the Group as having an indefinite useful life and is not amortised. It is tested for impairment annually and whenever there is an indication that it may be impaired. The license right was fully impaired as at 31 March 2022 and 2021.

Note b: During the year ended 31 March 2021, the Group acquired a license right through acquisition of Choice Insurance Broker Limited ("**Choice Insurance**") (note 36). The license carries a right to conduct insurance brokerage business in Hong Kong, and has no foreseeable limit to the period over which the Group can use to generate net cash flows. As a result, the license right is considered by the management of the Group as having an indefinite useful life and is not amortised. It is tested for impairment annually and whenever there is an indication that it may be impaired.

As at 31 March 2022 and 2021, the recoverable amount of the CGUs arising from Choice Insurance was determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a 5-year period.

17. LOAN RECEIVABLES

	2022 HK$'000	2021 HK$'000
Securities dealing and brokerage services		
– Secured margin loans	**25,031**	30,010
Less: ECL allowance	**(1,691)**	(1,717)
	23,340	28,293
Financing business		
– Secured mortgage loans	**96,278**	137,767
– Secured loans	**2,922**	2,923
– Unsecured loans	**13,987**	14,829
Less: ECL allowance	**(16,162)**	(12,594)
	97,025	142,925
	120,365	171,218
The Group's loan receivables (net of ECL allowance) are analysed into:		
– Non-current assets	**37,316**	34,201
– Current assets	**83,049**	137,017
	120,365	171,218

Securities dealing and brokerage services

Loan receivables under secured margin loans of approximately HK$25,031,000 (2021: HK$30,010,000) are repayable on demand and bear interests at interest rates with reference to prime rate plus a spread for both years.

The amount of credit facilities granted to clients is determined by reference to the market value of the collateral securities held by the Group. As at 31 March 2022, the total market value of securities pledged as collateral in respect of the loans to clients was approximately HK$214,592,000 (2021: HK$135,670,000).

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

17. LOAN RECEIVABLES (CONTINUED)

Financing business

Loan receivables bear interests at interest rates with reference to commercial rates. Loan receivables which would be received over one year were classified as non-current receivables. As at 31 March 2022, the total market value of properties pledged as collateral in respect of the mortgage loans was approximately HK$245,689,000 (2021: HK$336,793,000).

As at 31 March 2022, the secured loans were secured by borrower's securities accounts with market value of approximately HK$196,000 (2021: HK$219,000) as collateral.

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

	2022 HK$'000	2021 HK$'000
Within 6 months	**50,786**	68,967
Over 6 months but not more than 1 year	**22,280**	55,224
Over 1 year	**23,959**	18,734
	97,025	142,925

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

	2022 HK$'000	2021 HK$'000
On demand or within 1 year	**59,709**	108,724
In more than 1 year but not more than 5 years	**7,923**	9,853
Over 5 years	**29,393**	24,348
	97,025	142,925

17. LOAN RECEIVABLES (CONTINUED)

Financing business *(Continued)*

The movement in the ECL allowance of loan receivables is as follows:

	Financing business		Margin clients		Total	
	2022 HK$'000	2021 HK$'000	**2022 HK$'000**	2021 HK$'000	**2022 HK$'000**	2021 HK$'000
At 1 April	**12,594**	12,833	**1,717**	3,066	**14,311**	15,899
ECL recognised for the year	**3,569**	7,799	**161**	290	**3,730**	8,089
Reversal of ECL recognised for the year	**–**	(5,538)	**(187)**	(1,639)	**(187)**	(7,177)
Written-off	**(1)**	(2,500)	**–**	–	**(1)**	(2,500)
At 31 March	**16,162**	12,594	**1,691**	1,717	**17,853**	14,311

18. ACCOUNTS RECEIVABLE

	2022 HK$'000	2021 HK$'000
Accounts receivable	**24,174**	32,791
Less: ECL allowance	**(2,629)**	(5,947)
	21,545	26,844

	2022 HK$'000	2021 HK$'000
Balance relating to:		
– Securities and futures dealing and brokerage services	**21,439**	26,459
– Others	**106**	385
	21,545	26,844

18. ACCOUNTS RECEIVABLE (CONTINUED)

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

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

	2022 HK$'000	2021 HK$'000
Within 6 months	**19,375**	26,596
Over 6 months but not more than 1 year	**1,752**	185
Over 1 year	**418**	63
	21,545	26,844

As at 31 March 2022, the Group held listed securities in client accounts with market value of approximately HK$155,659,000 (2021: HK$101,328,000) as collateral over secured balances of HK$12,330,000 (2021: HK$15,012,000).

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

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

	2022 HK$'000	2021 HK$'000
At 1 April	**5,947**	5,189
ECL recognised for the year	**364**	1,387
Reversal of ECL recognised for the year	**(423)**	(629)
Written-off	**(3,259)**	–
At 31 March	**2,629**	5,947

19. CONTRACT ASSET/CONTRACT LIABILITY

	2022 HK$'000	2021 HK$'000
Contract asset arising from:		
Corporate finance services	–	950
Contract liability arising from:		
Corporate finance services	–	1,000

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

When the Group receives a deposit before the commencement of services provided, this will give rise to a contract liability at the inception of a contract until the revenue recognised on the project could cover the amount of the deposit. The contract liabilities represent receipts in advance for the corporate finance services and are expected to be recognised as revenue within one year.

Contract liabilities outstanding at the beginning of the year amounting to HK$1,000,000 (2021: HK$2,125,000) have been recognised as revenue during the year.

The Group's unsatisfied (or partially unsatisfied) performance obligation represents sponsor services which are billed based on time incurred. As permitted under HKFRS15, the transaction price allocated to these unsatisfied contracts is not disclosed.

20. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022 HK$'000	2021 HK$'000
Deposits	**4,761**	4,472
Prepayments	**1,790**	1,618
Interest receivables	**7,436**	6,068
Other receivables	**6,522**	4,133
	20,509	16,291
Less: ECL allowance	**(4,925)**	(4,119)
	15,584	12,172

As at 31 March 2022, included in other receivables of HK$6,522,000, approximately HK$5,000,000 represents the balance held by a lawyer in connection with a loan to be release to a borrower, which has been released to the borrower subsequently.

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

	2022 HK$'000	2021 HK$'000
At 1 April	**4,119**	1,043
ECL recognised for the year	**1,125**	3,846
Written-off	**(310)**	(380)
Reversal of ECL recognised for the year	**(9)**	(390)
At 31 March	**4,925**	4,119

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

21. FINANCIAL ASSETS AT FVTPL

	2022 HK$'000	2021 HK$'000
Non-current assets:		
Investment in a life insurance policy (note a)	**6,682**	6,497
Current assets:		
Securities held-for-trading:		
– Listed equity securities – Hong Kong (note b)	**11,827**	23,405
	18,509	29,902

Note a: The Group entered into a life insurance policy with an insurance company to insure Mr. Cheung Hoo Win, the Chief Executive Officer of the Company during the year ended 31 March 2020.

The total sum insured is approximately US$3,876,000 (equivalent to approximately HK$30,233,000) ("**Sum Assured**"). The Group is the policy holder and the beneficiary of the policy. The Group has paid an one-off premium of US$1,000,000 (equivalent to approximately HK$7,800,000). The Group can terminate the policy at any time and receive cash back based on the cash value of the policy at the date of termination. The cash value is determined by the premium paid plus accumulated interest earned minus the accumulated insurance policy charges and any applicable surrender charge ("**Cash Value**").

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

The investment in a life insurance policy is denominated in United States dollars ("**US$**") and the fair value is determined with reference to the Cash Value as provided by the insurance company. The entire balance of investment in a life insurance policy have been pledged to a bank as security for the banking facilities granted to the Group (note 27).

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

22. CLIENT TRUST FUNDS

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

As at 31 March 2022 and 2021, client trust funds are interest-bearing at bank deposit savings rate.

As at the reporting date, details of the Group's client trust funds that are not denominated in the functional currency of the respective group entities are as follows:

	2022 **HK$'000**	2021 HK$'000
United States dollar ("**USD**")	**36,419**	7,726
Renminbi ("**RMB**")	**479**	103
New Taiwanese dollar ("**NTD**")	**27,142**	7,486

23. CASH AND CASH EQUIVALENTS

	2022 **HK$'000**	2021 HK$'000
Cash in bank	**91,234**	114,520
Cash on hand	**189**	94
	91,423	114,614

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

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

	2022 **HK$'000**	2021 HK$'000
RMB	**843**	3,100
NTD	**61**	4,502
USD	**4,326**	5,537

24. ACCOUNTS PAYABLE

Accounts payable are mainly in relation to the securities and futures dealing and brokerage services and are repayable on demand. No aging analysis is disclosed as, in the opinion of the directors, an aging analysis does not give additional value in view of the nature of the business of securities and futures dealing and brokerage services.

As at 31 March 2022 and 2021, accounts payable are interest-bearing at the bank deposit savings rate per annum.

As at 31 March 2022 and 2021, the Group's accounts payable that are not denominated in the functional currency of the respective group entities are as follows:

	2022 **HK$'000**	2021 HK$'000
USD	**41,223**	16,161
NTD	**27,658**	11,024
RMB	**519**	141
Canadian dollar	**27**	–
Great British Pound	**2**	1

25. OTHER PAYABLES AND ACCRUALS

	2022 **HK$'000**	2021 HK$'000
Construction payables	**11,608**	130
Interest payables	**678**	526
Accrued expenses	**1,848**	1,573
Other payables	**2,071**	3,100
	16,205	5,329

26. PROMISSORY NOTE PAYABLES

As at 31 March 2022, the promissory notes bore interest at the range from 5% to 8% (2021: 4% to 8%) per annum and were repayable as follows:

	2022 HK$'000	2021 HK$'000
Within one year	**25,000**	57,650
After one year but within two years	**10,000**	–
	35,000	57,650
Less: Repayable within one year	**(25,000)**	(57,650)
Carrying amount shown under non-current liabilities	**10,000**	–

27. LOANS

	2022 HK$'000	2021 HK$'000
Loans comprise:		
– secured bank loans (note a)	**157,685**	172,555
– other secured loans (note b)	**34,840**	–
	192,525	172,555

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

Notes:

(a) As at 31 March 2022, bank loans amounted HK$141,008,000 (2021: HK$154,850,000) were interest bearing at 1.9% (2021: 1.9%) per annum over Hong Kong Interbank Offered Rate ("**HIBOR**"), and were secured by:

– an investment property (note 15) of the Group with a carrying value of HK$444,500,000 (2021: HK$319,673,000);

– rental proceeds in respect of the investment property; and

– corporate guarantee from the Company.

As at 31 March 2022, the bank loan of HK$4,671,000 (2021: HK$4,865,000) is interest bearing at 1% (2021: 1%) per annum over London Interbank Offered Rate ("**LIBOR**"), and is secured by an investment in a life insurance policy (note 21) of the Group with a carrying value of HK$6,682,000 (2021: HK$6,497,000);

27. LOANS (CONTINUED)

Notes: (Continued)

(a) *(Continued)*

As at 31 March 2022, the bank loan of HK$12,006,000 (2021: HK$12,840,000) is interest bearing at floating rate of 2.75% per annum below Hong Kong Dollar Best Lending Rate (2021: 2.75% per annum below Hong Kong Dollar Best Lending Rate) as determined by the bank and secured by an investment property (note 15) of the Group with a carrying value of HK$41,000,000 (2021: HK$41,000,000) and the Company's corporate guarantee.

(b) As at 31 March 2022, other secured loans are interest-bearing at 2.75% above the Hong Kong Dollar Best Lending Rate per annum and secured by sub-charges/sub-mortgages on the first legal charges/mortgages of properties charged/mortgaged to the loan receivables of the Group with carrying amount of HK$37,035,000.

28. LEASE LIABILITIES

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

	2022 HK$'000	2021 HK$'000
Total minimum lease payments:		
– within one year	**5,196**	4,477
– after one year but within two years	**4,459**	440
– after two years but within five years	**2,310**	–
	11,965	4,917
Less: future finance charges	**(396)**	(77)
Present value of lease liabilities	**11,569**	4,840
Present value of lease liabilities:		
– within one year	**4,946**	4,403
– after one year but within two years	**4,333**	437
– after two years but within five years	**2,290**	–
	11,569	4,840
Less: Portion due within one year included under current liabilities	**(4,946)**	(4,403)
Portion due after one year included under non-current liabilities	**6,623**	437

During the year ended 31 March 2022, the total cash outflows for the leases amounted to HK$6,179,000 (2021: HK$6,895,000).

28. LEASE LIABILITIES (CONTINUED)

As at 31 March 2022, lease liabilities amounting to HK$11,569,000 (2021: HK$4,840,000) are effectively secured by the related underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

During the year ended 31 March 2022, the Group had 5 leases (2021: 5) for offices with remaining lease term of 0.3 to 2.6 years (2021: 0.4 to 1.7 years). These leases do not contain option to renew the lease and are subjected to monthly fixed rental payment.

29. CONVERTIBLE BONDS

	Liability Component HK$'000	Equity component HK$'000	Total HK$'000
At 1 April 2020	–	–	–
Issuance of convertible bonds	20,567	2,433	23,000
Interest at effective interest rate (note 8)	1,342	–	1,342
Interest paid	(696)	–	(696)
At 31 March 2021 and 1 April 2021	**21,213**	**2,433**	**23,646**
Interest at effective interest rate (note 8)	**2,160**	**–**	**2,160**
Interest paid	**(1,380)**	**–**	**(1,380)**
At 31 March 2022	**21,993**	**2,433**	**24,426**

On 16 July 2020, the Company entered into a conditional agreement to place up to HK$23,000,000 convertible bonds (the "**Placement**"). The Placement was completed on 10 August 2020 (the "**Issue Date**").

The coupon rate for the convertible bonds is 6% per annum. The maturity date is the third anniversary of the Issue Date, and the conversion period will commence from the thirty months after the Issue Date up to the maturity date. The convertible bonds was initially convertible into 1,045,454,545 ordinary shares at the conversion price of HK$0.022 and subsequently adjusted to 104,545,454 shares at the conversion price of HK$0.22 upon the completion of Share Consolidation (as defined in note 30). The Company may at any time before the maturity date with mutual written consent with the relevant holder to redeem the outstanding bond (in whole or in part) at 100 percent to the principal amount of the bond to be redeemed with the outstanding interest accrued thereon up to and including the date of early redemption. For more details of the Placement, please refer to the announcement of the Company dated 16 July 2020 and the supplemental announcement dated 21 July 2020, respectively.

29. CONVERTIBLE BONDS (CONTINUED)

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

The initial fair value measurement of the liability component is classified in level 3. The fair value of the liability component, amounting to HK$21,933,000 (2021: HK$21,213,000), is estimated as being the present value of future cash flows, discounted at interest rate based on the market interest rate for equivalent non-convertible bonds as at 31 March 2022 and 2021, adjusted for the Group's own risk premium.

No convertible bonds were converted to ordinary shares of the Company during the years ended 31 March 2022 and 2021 or subsequent to 31 March 2022 and up to the date of this report.

30. SHARE CAPITAL

	Number of shares		Amount	
	2022	2021	**2022** **HK$'000**	2021 HK$'000
Authorised:				
Ordinary shares				
At 1 April (HK$0.1 each) (2021: HK$0.01 each)	**20,000,000,000**	200,000,000,000	**2,000,000**	2,000,000
Share consolidation	**–**	(180,000,000,000)	**–**	–
At 31 March (HK$0.1 each)	**20,000,000,000**	20,000,000,000	**2,000,000**	2,000,000
Issued and fully paid:				
At 1 April	**701,891,588**	5,912,468,824	**70,189**	59,125
Shares issued in respect of warrants (notes (a))	**–**	482,337,285	**–**	4,823
	701,891,588	6,394,806,109	**70,189**	63,948
Share consolidation (note (b))	**–**	(5,755,325,499)	**–**	–
	701,891,588	639,480,610	**70,189**	63,948
Shares issued in respect of warrants (notes (a) & (d))	**7,423,425**	61,329,883	**743**	6,133
Shares issued in respect of scrip dividends (note (c))	**–**	1,081,095	**–**	108
At 31 March	**709,315,013**	701,891,588	**70,932**	70,189

30. SHARE CAPITAL (CONTINUED)

Notes:

(a) Shares issued in respect of warrants – 2019

On 29 July 2019, the Board proposed a new issue of bonus warrants to the shareholders of the Company on the basis of 1 warrant for every 5 shares (the "**Bonus Issue of Warrants — 2019**"). For details of the Bonus Issue of Warrants — 2019, please refer to the announcement of the Company dated 29 July 2019. On 3 September 2019, the shareholders approved the Bonus Issue of Warrants — 2019, pursuant to which 1,176,096,375 warrants were issued. The initial subscription price was HK$0.01 per share, and the exercise period is from 18 November 2019 to 17 November 2020 (both days inclusive).

During the period from 1 April 2020 to 27 September 2020, 482,337,285 units of warrants under the Bonus Issue of Warrants — 2019 had been exercised by the holders thereof. As a result, 482,337,285 shares were issued and allotted by the Company to the holders of such warrants. The 482,337,285 shares issued rank pari passu in all respects with the then existing Shares.

As a result of the Share Consolidation as defined below, the subscription price of the Bonus Issue of Warrants — 2019 has been adjusted from HK$0.01 per share to HK$0.10 per share, and the number of outstanding Bonus Issue of Warrants — 2019 has been adjusted from 661,772,145 units to 66,177,214 units.

During the period from 28 September 2020 to 17 November 2020, 54,426,385 units of warrants under the Bonus Issue of Warrants — 2019 had been exercised by the holders thereof. As a result, 54,426,385 shares were issued and allotted by the Company to the holders of such warrants. The 54,426,385 shares issued rank pari passu in all respects with the then existing shares. As at 17 November 2020, 11,750,816 units of warrants were not yet exercised and had lapsed accordingly.

(b) Share consolidation

On 28 July 2020, the Board proposed that every ten ordinary shares of HK$0.01 each in the capital of the Company would be consolidated into one ordinary share of HK$0.1 each (the "**Share Consolidation**"). For more details of the Share Consolidation, please refer to the announcement of the Company dated 28 July 2020. The Share Consolidation was approved by the shareholders on 24 September 2020, and became effective on 28 September 2020. Accordingly, the total number of issued capital was consolidated from 6,394,806,109 into 639,480,610.

(c) Shares issued in respect of scrip dividends

On 28 January 2021, the Company issued and allotted 1,081,095 shares at an issue price of HK$0.3204 per share in respect of the 2020/21 interim dividend, the 1,081,095 shares issued rank pari passu in all respects with the then existing Shares. As a result, during the year ended 31 March 2021, the Company's share capital and share premium were increased by approximately HK$108,000 and HK$238,000 respectively.

(d) Shares issued in respect of warrants – 2021

On 23 December 2020, the Board proposed a new issue of bonus warrants to the shareholders of the Company on the basis of 1 warrant for every 5 shares (the "**Bonus Issue of Warrants – 2021**"). For details of the Bonus Issue of Warrants - 2021, please refer to the announcement of the Company dated 23 December 2020. On 26 January 2021, the shareholders approved the Bonus Issue of Warrants - 2021, pursuant to which 138,997,618 warrants were issued. The initial subscription price was HK$0.285 per share, and the exercise period is from 17 February 2021 to 16 February 2022 (both days inclusive).

During the period from 17 February 2021 to 31 March 2021, 6,903,498 units of warrants under the Bonus Issue of Warrants - 2021 had been exercised by the holders thereof. As a result, 6,903,498 shares were issued and allotted by the Company to the holders of such warrants. The 6,903,498 shares issued rank pari passu in all respects with the then existing Shares. As at 31 March 2021, 132,094,120 units of warrants remained outstanding.

During the period from 1 April 2021 to 16 February 2022, 7,423,425 units of warrants under the Bonus Issue of Warrants — 2021 had been exercised by the holders thereof. As a result, 7,423,425 shares were issued and allotted by the Company to the holders of such warrants. The 7,423,425 shares issued rank pari passu in all respects with the then existing Shares. As at 16 February 2022, 124,670,695 units of warrants were not yet exercised and had lapsed accordingly.

31. SHARE OPTION SCHEME

The Company has a share option scheme which was adopted on 21 September 2012 and refreshed on 15 September 2017 and 24 September 2020 (the "**Share Option Scheme**").

On 16 May 2019, the Company granted share options (the "**Share Options**") to certain employees and a consultant of the Group (the "**Grantees**") under the Share Option Scheme. The Share Options were vested immediately upon the date of grant and then exercisable within a period of three years. Each option gives the holder the right to subscribe for one ordinary share in the Company. The Share Options were initially exercisable at exercise price of HK$0.083 and subsequently adjusted to HK$0.83 upon the completion of Share Consolidation (note 30). At 31 March 2022, the exercise price of the outstanding Share Options is HK$0.83 (2021: HK$0.83) and the remaining contractual life is 0.1 year (2021: 1.1 years).

All share-based compensation will be settled in equity when they are exercised. The Group has no legal or constructive obligation to repurchase or settle the options other than by issuing the Company's ordinary shares. Payment of HK$1.00 was made by each of the Grantees upon acceptance of the Share Options. The Share Options carry neither rights to dividends nor voting rights.

The movement of the Share Options are as follows:

	2022 Number '000	2021 Number '000
At 1 April	**35,575**	453,350
Lapsed	**–**	(96,900)
	35,575	356,450
Share Consolidation	**–**	(320,805)
Lapsed	**(5,010)**	(70)
At 31 March	**30,565**	35,575
Exercisable at end of the year	**30,565**	35,575

32. RESERVES

(a) Special capital reserve

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

(b) Contributed surplus

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

(c) Capital redemption reserve

Except for the capital redemption reserve of HK$6,040,000 recognised in November 2000 as mentioned in note 32(b), HK$1,440,000 are transferred from share capital to capital redemption reserve in April 2013 for repurchasing and cancelling a total of 144,000,000 issued ordinary shares of HK$0.01 each.

33. OPERATING LEASE COMMITMENTS

The Group as lessee

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

	2022 **HK$'000**	2021 HK$'000
Within one year	**121**	186

34. RETIREMENT BENEFITS SCHEMES

The Group has arranged for its Hong Kong employees to join the MPF Scheme, a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, both the Group and its Hong Kong employees are required to make monthly contributions to the scheme at 5% of the employees' salaries and subject to a cap which may be revised from time to time.

Under the Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment for certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

During the year ended 31 March 2022, the aggregate amount of the Group's contributions to the defined contribution scheme was approximately HK$1,172,000 (2021: HK$1,253,000).

At 31 March 2022, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2021: HK$ Nil).

35. RELATED PARTY TRANSACTIONS

During the years ended 31 March 2022 and 2021, the Group had the following related party transactions or continuing related party transactions, certain of which fall under the definition of connected transactions or continuing connected transactions in Chapter 14A of the Listing Rules, but are exempted from the reporting, announcement, shareholders' approval and annual review requirements under the Listing Rules.

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

	2022 **HK$'000**	2021 HK$'000
Short-term benefits	**2,795**	3,768
Post-employment benefits	**48**	83
	2,843	3,851

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

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Material transactions with its related parties:

	2022 HK$'000	2021 HK$'000
Consultancy fee received from Mr. Cheung Chi Shing (note (i))	–	200
Commission received from Mr. Cheung Chi Shing (note (i))	55	286
Commission received from Mr. Cheung Hoo Win (note (i))	6	17
Commission received from Mr. Cheung Hoo Yin (note (iv))	6	–
Commission received from Mr. Choy Shuen Yan Andy (note (iii))	–	18
Fees paid to Mr. Ng Yiu Chuen ("**Mr. Ng**") (note (ii))	111	145
Interest paid to Elfie Limited (note (iv))	397	23
Interest paid to Ms. Ng Kai Ning (note (v))	196	228
Interest paid to Ms. Ng Mei Hang (note (v))	75	70
Interest paid to Ms. Ng Pui Yee (note (vi))	135	194
Interest paid to Ms. Cheng Chui Shan Phyllis ("**Ms. Cheng**") (note (vii))	108	146
Interest income received from Ms. Mak Kit Ping (note (viii))	–	4
Rental expense paid to Silvermine Beach Resort Limited (note (ix))	6	–

Notes:

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

(ii) Mr. Ng is an executive director of the Company.

(iii) Mr. Choy Shuen Yan Andy was a director of certain subsidiaries of the Group.

(iv) Elfie Limited is beneficially owned by Mr. Cheung Chi Shing and Ms. Yeung Han Yi Yvonne. The directors of Elfie Limited are Mr. Cheung Hoo Win, Ms. Cheung Lok Chi ("**Ms. Cheung**") and Mr. Cheung Hoo Yin. Ms. Cheung and Mr. Cheung Hoo Yin are the children of Mr. Cheung Chi Shing and Ms. Yeung Han Yi Yvonne. Ms. Yeung Han Yi Yvonne and Mr. Cheung Hoo Yin are also substantial shareholders of the Company.

(v) Ms. Ng Kai Ning and Ms. Ng Mei Hang are the daughter of Mr. Ng.

(vi) Ms. Ng Pui Yee is the sister of Mr. Ng.

(vii) Ms. Cheng is the wife of Mr. Ng.

(viii) Ms. Mak Kit Ping was an executive director of the Company.

(ix) Silvermine Beach Resort Limited is a wholly owned subsidiary of Elfie Limited.

35. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2022 **HK$'000**	2021 HK$'000
Accounts receivable: (note (i))		
Amount due from Mr. Cheung Hoo Win	**–**	305
Accounts payable (note (ii)):		
Amount due to Mr. Cheung Chi Shing	**6,638**	6,986
Amount due to Mr. Cheung Hoo Win	**1,629**	2,066
Amount due to Ms. Cheung	**1,396**	1,501
Amount due to Mr. Cheung Hoo Yin	**473**	619
Amount due to K.Y. Limited (note (iii))	**230**	230
Amount due to Ms. Yeung Han Yi Yvonne	**190**	349
Amount due to Mr. Cheng Tze Hin (note (iv))	**7**	74
Promissory note payables (note (v)):		
Amount due to Elfie Limited	**35,000**	35,000
Amount due to Ms. Ng Kai Ning	**–**	3,200
Amount due to Ms. Ng Mei Hang	**–**	1,020
Amount due to Ms. Ng Pui Yee	**–**	2,110
Amount due to Ms. Cheng	**–**	2,020
Interest payable on Promissory note:		
Amount due to Elfie Limited	**397**	–

Notes:

(i) The amount is secured by the relevant listed shares held by the client and kept by the Group as a custodian, and is interest bearing at 3% plus prime rate per annum.

(ii) The amount is unsecured, interest bearing at the bank deposit saving rate per annum and repayable on clients' demand.

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

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

(v) The interest rates for the promissory note payables are ranged from 5% to 8% (2021: 4% to 8%) per annum.

36. PRINCIPAL SUBSIDIARIES

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

Name of subsidiaries	Place of incorporation/ operations	Particulars of issued and paid up capital	Percentage of ownership interest 2022	2021	Principal activities
Direct subsidiary					
Styland Enterprises Limited	Hong Kong	2 shares	**100**	100	Provision of management services
Indirect subsidiaries					
Devonia Development Limited	Hong Kong	1,000 shares	**100**	100	Property development and investment
Ever-Long Asset Management Limited	Hong Kong	10,000,000 shares	**100**	100	Securities trading
Ever-Long Capital Limited	British Virgin Islands ("**BVI**")/ Hong Kong	4,000,000 shares of US$1 each	**100**	100	Provision of financing services
Ever-Long Capital Management Limited	Hong Kong	1,000,000 shares	**100**	100	Provision of asset management services
Ever-Long Finance Limited	Hong Kong	22,500,000 shares	**100**	100	Provision of financing services
Ever-Long Futures Limited#	Hong Kong	12,350,000 shares (2021: 12,000,000 shares)	**100**	100	Provision of futures brokerage services
Ever-Long Securities Company Limited	Hong Kong	165,000,000 shares	**100**	100	Securities brokerage and provision of financing services
Hoowin Limited	Hong Kong	10,000 shares	**100**	100	Property investment
Long River Investments Holdings Limited	BVI/Hong Kong	200 shares of US$1 each	**100**	100	Securities trading
Styland (International) Limited	Hong Kong	100,000 shares	**100**	100	Securities trading
Choice Insurance*	Hong Kong	4,475,000 shares (2021: 2,975,000 shares)	**100**	100	Insurance brokerage services

36. PRINCIPAL SUBSIDIARIES (CONTINUED)

During the year ended 31 March 2022, Ever-Long Holdings Limited subscribed for 350,000 shares of Ever-Long Futures Limited at a consideration of HK$350,000.

* On 30 November 2020, the Group acquired Choice Insurance from independent third parties at a consideration of HK$1,813,000. In the opinion of the directors, the transaction is entered to acquire the license right with other tangible assets held by Choice Insurance that does not constitute a business. The transactions is accounted for as an assets purchase. On 6 July 2021, the Group further subscribed for 1,500,000 shares of Choice Insurance at a consideration of HK$1,500,000.

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2022 HK$'000	2021 HK$'000
ASSETS AND LIABILITIES			
Non-current asset			
Investments in subsidiaries	36	**–**	–
Current assets			
Other receivables		**296**	228
Amounts due from subsidiaries	37(a)	**562,446**	511,888
Cash and cash equivalents		**21,375**	1,001
		584,117	513,117
Current liabilities			
Other payables and accruals		**456**	366
Amounts due to subsidiaries	37(a)	**123,761**	29,815
		124,217	30,181
Net current assets		**459,900**	482,936
Non-current liabilities			
Convertible bonds	29	**21,993**	21,213
Net assets		**437,907**	461,723
EQUITY			
Share capital	30	**70,932**	70,189
Reserves	37(b)	**366,975**	391,534
Total equity		**437,907**	461,723

Approved and authorised for issue by the board of directors on 29 June 2022.

Cheung Hoo Win
Executive Director

Ng Yiu Chuen
Executive Director

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

Notes:

(a) Amounts due from/to subsidiaries

The amounts due from/to subsidiaries were unsecured, interest bearing at prime rate and repayable on demand.

(b) Reserves

	Share premium HK$'000	Capital redemption reserve HK$'000	Special capital reserve HK$'000	Contributed surplus HK$'000	Share option reserve HK$'000	Convertible bonds reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2020	188,663	7,480	571,147	535,932	11,259	–	(896,868)	417,613
Loss for the year and total comprehensive expense for the year	–	–	–	–	–	–	(24,997)	(24,997)
Dividend recognised as distribution (note 12)	–	–	–	(5,030)	–	–	–	(5,030)
Issue of convertible bonds (note 29)	–	–	–	–	–	2,433	–	2,433
Exercise of bonus warrants (note 30)	1,277	–	–	–	–	–	–	1,277
Issue of scrip shares (note 30)	238	–	–	–	–	–	–	238
Lapse of share options	–	–	–	–	(2,424)	–	2,424	–
Total transactions with owners	1,515	–	–	(5,030)	(2,424)	2,433	2,424	(1,082)
At 31 March 2021 and 1 April 2021	**190,178**	**7,480**	**571,147**	**530,902**	**8,835**	**2,433**	**(919,441)**	**391,534**
Loss for the year and total comprehensive expense for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(25,932)**	**(25,932)**
Exercise of bonus warrants (note 30)	**1,373**	**–**	**–**	**–**	**–**	**–**	**–**	**1,373**
Lapse of share options	**–**	**–**	**–**	**–**	**(1,244)**	**–**	**1,244**	**–**
Total transactions with owners	**1,373**	**–**	**–**	**–**	**(1,244)**	**–**	**1,244**	**1,373**
At 31 March 2022	**191,551**	**7,480**	**571,147**	**530,902**	**7,591**	**2,433**	**(944,129)**	**366,975**

38. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Bond payable HK$'000	Promissory note payables HK$'000	Convertible bonds HK$'000	Loans HK$'000	Lease liabilities HK'000	Total HK$'000
1 April 2020	2,000	16,020	–	156,190	8,835	183,045
Cash flows:						
– Issuance of convertible bonds	–	–	20,567	–	–	20,567
– Proceeds	–	70,380	–	51,500	–	121,880
– Repayments	(2,000)	(28,750)	–	(35,100)	–	(65,850)
– Interest paid	(147)	–	(696)	–	–	(843)
– Capital element of lease liabilities	–	–	–	–	(6,378)	(6,378)
– Interest element of lease liabilities	–	–	–	–	(292)	(292)
Non-cash changes:	–	–	–	–		
– Lease modification	–	–	–	–	2,643	2,643
– Finance cost	147	–	1,342	–	292	1,781
– Termination of lease	–	–	–	–	(260)	(260)
– Exchange difference	–	–	–	(35)	–	(35)
31 March 2021 and 1 April 2021	**–**	**57,650**	**21,213**	**172,555**	**4,840**	**256,258**
Cash flows:						
– Proceeds	**–**	**35,000**	**–**	**38,840**	**–**	**73,840**
– Repayments	**–**	**(57,650)**	**–**	**(18,914)**	**–**	**(76,564)**
– Interest paid	**–**	**–**	**(1,380)**	**–**	**–**	**(1,380)**
– Capital element of lease liabilities	**–**	**–**	**–**	**–**	**(5,697)**	**(5,697)**
– Interest element of lease liabilities	**–**	**–**	**–**	**–**	**(203)**	**(203)**
Non-cash changes:						
– Lease modification	**–**	**–**	**–**	**–**	**12,426**	**12,426**
– Finance cost	**–**	**–**	**2,160**	**–**	**203**	**2,363**
– Exchange difference	**–**	**–**	**–**	**44**	**–**	**44**
31 March 2022	**–**	**35,000**	**21,993**	**192,525**	**11,569**	**261,087**

39. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

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

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

39.1 Categories of financial instruments

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

	2022 **HK$'000**	2021 HK$'000
Financial assets		
Financial assets at amortised cost:		
– loan receivables	**120,365**	171,218
– accounts receivable	**21,545**	26,844
– other receivables and deposits	**12,894**	10,554
– client trust funds	**117,098**	74,400
– cash and cash equivalents	**91,423**	114,614
	363,325	397,630
Financial assets at FVTPL		
– Listed equity securities	**11,827**	23,405
– Investment in a life insurance policy	**6,682**	6,497
	18,509	29,902
Financial liabilities		
Other financial liabilities at amortised cost:		
– accounts payable	**124,933**	92,621
– other payables and accruals	**16,136**	5,260
– promissory note payables	**35,000**	57,650
– loans	**192,525**	172,555
– lease liabilities	**11,569**	4,840
– convertible bonds	**21,993**	21,213
	402,156	354,139

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

39.2 Market risk

(i) Currency risk

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

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

	Sensitivity rate	Increase/ Decrease in profit or loss HK$'000	Increase/ Decrease in equity HK$'000
2022			
RMB	**5%**	**38**	**38**
NTD	**5%**	**2**	**2**
2021			
RMB	5%	128	128
NTD	5%	40	40

(ii) Interest rate risk

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

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

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

39.2 Market risk *(Continued)*

(ii) Interest rate risk *(Continued)*

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2022 would decrease by HK$733,000 (2021: HK$273,000).

Interest rate benchmark reform

LIBOR

The Financial Conduct Authority has confirmed all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (i) immediately after 31 December 2021, in the case of all Sterling, Euro, Swiss Franc and Japanese Yen settings, and the 1-week and 2-month US dollar settings; and (ii) immediately after 30 June 2023, in the case of the remaining US dollar settings.

HIBOR

While the Hong Kong Dollar Overnight Index Average ("**HONIA**") has been identified as an alternative to HIBOR, there is no plan to discontinue HIBOR. The multi-rate approach has been adopted in Hong Kong, whereby HIBOR and HONIA will co-exist.

Interest rate profile

The following table details the interest rate profile of the Group's net borrowings as at 31 March 2022 indicated:

Financial instruments prior to transition	HK$'000
Non-derivative financial liabilities	
Loan linked to USD LIBOR	4,671
Loans linked to HIBOR	141,008

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

39.2 Market risk *(Continued)*

(iii) Other price risk

Other price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the values of individual securities. The Group is exposed to equity price risk arising from individual equity investment classified as FVTPL as at 31 March 2022. The Group's listed investments are valued at quoted market prices at the reporting date. In addition, the Group monitors the price risk exposure and will consider hedging the risk exposure should the need arise.

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

If the price of the respective listed equity securities classified as FVTPL had been 5% higher/lower, the post-tax profit for the year ended 31 March 2022 would increase/decrease by approximately HK$494,000 (2021: HK$1,248,000) for the Group, as a result of the changes in fair value of financial assets classified as FVTPL.

39.3 Credit risk

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

The Group's credit risk is primarily attributable to its accounts receivable, contract assets, loan receivables and other financial assets as summarised in note 39.1 which are measured at amortised cost.

Accounts receivable, contract assets and loan receivables

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

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

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

39.3 Credit risk *(Continued)*

Accounts receivable, contract assets and loan receivables *(Continued)*

At 31 March 2022, the Group has concentration of credit risks of 25% (2021: 8%) and 56% (2021: 27%) of the total accounts receivable were due from the Group's largest accounts receivable and the five largest accounts receivable respectively. The Group's concentration of credit risk by geographical locations is mainly in Hong Kong, which accounted for 100% of the total accounts receivable as at 31 March 2022 and 2021.

To ensure that adequate impairment losses are made for irrecoverable amounts, the Group assesses ECL on accounts receivable, contract assets and secured loan receivables based on probability-weighted loss default approach by reviewing the recoverable amount of debtors with shared credit risk characteristics and assesses ECL on unsecured loan receivables for debtors individually at the end of each reporting period. At each reporting date, the probability of default, loss given default and discount factor are updated and analysed. Each customers' probability of default are estimated based on their current conditions and take into accounts of forward-looking information, as appropriate. If forecast economic conditions are expected to deteriorate in the future year (i.e. increase in debt margin as result of expectation of rise in defaults), it lead to an increase in number of default and the probability of default will be adjusted. In applying the forward-looking information, the Group has taken into account the possible impact associated with the overall changes in the economic environment arising from COVID-19. The loss given default was based on the percentage of contractual claims that would be lost if the counter-party defaults and reduced by the expected recoverable amount from the collateral after adjusting the estimated costs of obtaining and selling the collateral. The ECL allowance was measured based on the ECL assessment result.

Client trust funds, pledged bank deposits and cash and cash equivalents

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

Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables and deposits. In order to minimise the credit risk of other receivables and deposits, the management would make periodic collective and individual assessment on the recoverability of these receivables based on historical settlement records and past experience as well as current external information and adjusted to reflect probability-weighted forward-looking information, including the default rate where the relevant debtors operates. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In these regards, the credit risk of other receivables and deposits are considered to be low. The Group's management is of opinion that there is no significant increase in credit risk on these financial assets since initial recognition as the risk of default is low after considering the factors as set out in note 2.7 and thus, ECL recognised is based on 12-month ECL and is insignificant.

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

39.3 Credit risk *(Continued)*

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

	12-months ECLS Stage 1 HK$'000	Lifetime ECLs Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Balance at 1 April 2020	1,043	–	–	21,088	22,131
ECL recognised for the year	77	113	3,656	9,476	13,322
Reversal of ECL recognised for the year	(390)	–	–	(7,806)	(8,196)
Written off	(380)	–	–	(2,500)	(2,880)
Balance at 31 March 2021 and 1 April 2021	**350**	**113**	**3,656**	**20,258**	**24,377**
ECL recognised for the year	**201**	**254**	**670**	**4,094**	**5,219**
Reversal of ECL recognised for the year	**–**	**–**	**(9)**	**(610)**	**(619)**
Written off	**(310)**	**–**	**–**	**(3,260)**	**(3,570)**
Balance at 31 March 2022	**241**	**367**	**4,317**	**20,482**	**25,407**

As at 31 March 2021, loan receivables amounting to HK$17,949,000 from certain debtors who have delayed their settlements for over 90 days. Having considered the liquidity condition and other information of the debtors, the Group considered that there are significant increase in credit risk of these debtors and therefore an ECL allowance of HK$6,456,000 was recognised during the year ended 31 March 2021.

Having considered the liquidity condition and other information of the debtors, the Group considered that there are significant increase in credit risk of one of these debtors and therefore an ECL allowance of HK$3,551,000 was recognised during the year ended 31 March 2022.

The management considered the interest receivable amounting to HK$4,220,000 from a loan receivable is credit impaired and transferred to stage 3. ECL allowance of HK$670,000 (2021: HK$2,923,000) was recognised during the year ended 31 March 2022.

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

39.4 Liquidity risk

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

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

Liquidity tables

The following table details the Group's contractual maturity of its financial liabilities as at 31 March 2022 and 2021. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay.

As at 31 March 2022	Interest rate	On demand/ within one year HK$'000	One year to two years HK$'000	Over two years but within 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities						
Accounts payable	0.01%	124,933	–	–	124,933	124,933
Other payables and accruals		16,136	–	–	16,136	16,136
Convertible bonds	6%	1,380	23,684	–	25,064	21,993
Lease liabilities	1.65%-2.8%	5,196	4,459	2,310	11,965	11,569
Promissory note payables	5%-8%	26,113	10,576	–	36,689	35,000
Loans*	2.8%-7.75%	192,525	–	–	192,525	192,525
		366,283	38,719	2,310	407,312	402,156

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

39.4 Liquidity risk *(Continued)*

As at 31 March 2021	Interest rate	On demand/ within one year HK$'000	One year to two years HK$'000	Over two years but within 5 years HK$'000	Total contractual undiscounted cash flow HK$'000	Carrying amount HK$'000
Non-derivative financial liabilities						
Accounts payable		92,621	–	–	92,621	92,621
Other payables and accruals		5,260	–	–	5,260	5,260
Convertible bonds	6%	1,380	1,380	23,684	26,444	21,213
Lease liabilities	3.8%-4.3%	4,477	440	–	4,917	4,840
Promissory note payables	4%-8%	57,650	–	–	57,650	57,650
Loans*	1.2%-4.3%	172,555	–	–	172,555	172,555
		333,943	1,820	23,684	359,447	354,139

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

As at 31 March 2022 and 2021, the aggregate undiscounted principal and interests of the loans repayable in accordance with the scheduled payment terms were as follows:

	Less than 1 year HK$'000	1 to 2 years HK$'000	2 to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amounts HK$'000
As at 31 March 2022	**59,027**	**9,516**	**28,548**	**151,114**	**248,205**	**192,525**
As at 31 March 2021	27,984	7,876	23,629	138,077	197,566	172,555

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

39.5 Fair value measurements

Fair value measurements recognised in the consolidated statement of financial position

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

Level 1	fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3	fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

As at 31 March 2022	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets				
Financial assets at FVTPL				
– Listed equity securities	11,827	–	–	11,827
– Investment in a life insurance policy	–	6,682	–	6,682
Financial asset at FVOCI				
– An unlisted equity security	–	–	–	–
	11,827	6,682	–	18,509

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

39.5 Fair value measurements *(Continued)*

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

As at 31 March 2021	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets				
Financial assets at FVTPL				
– Listed equity securities	23,405	–	–	23,405
– Investment in a life insurance policy	–	6,497	–	6,497
Financial asset at FVOCI				
– An unlisted equity security	–	–	–	–
	23,405	6,497	–	29,902

During the years ended 31 March 2022 and 2021, there were no transfers between Level 1, Level 2 and Level 3.

The financial asset at FVOCI represents the investment in equity interest in a private entity that offers the Group the opportunity for return through dividend income. As at 31 March 2022 and 2021, the financial asset at FVOCI was measured at fair value which was determined using the net asset value approach of the entity. The effects of unobservable inputs are not significant.

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

40. CAPITAL RISK MANAGEMENT

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

The Group is not subject to any externally imposed capital requirements except for certain subsidiaries which engage in securities dealing and brokerage service, corporate finance, advisory service, asset management and insurance brokerage that are the regulated entities under the Securities and Futures Ordinance and Insurance Ordinance and are subject to the respective minimum capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 2021.

The capital structure of the Group consists of debts which included loans, lease liabilities, convertible bonds and promissory notes payables less cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital as disclosed in note 30 and reserves.

The directors review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and risks associated with each class of capital and will balance its overall capital structure through the raise of borrowings, payment of dividends and issue of share options and new shares. There is no change in the capital risk management policy adopted by the Group during the years ended 31 March 2022 and 2021. The Group monitors its capital structure on the basis of the net debt to equity ratio. The net debt to equity ratio at the reporting date was:

	2022 **HK$'000**	2021 HK$'000
Loans	**192,525**	172,555
Lease liabilities	**11,569**	4,840
Convertible bonds	**21,993**	21,213
Promissory notes payables	**35,000**	57,650
Less: Cash and cash equivalents	**(91,423)**	(114,614)
Net debt	**169,664**	141,644
Equity attributable to owners of the Company	**479,826**	470,321
Net debt to equity ratio	**35.4%**	30.1%

SUMMARY OF FINANCIAL INFORMATION

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

RESULTS

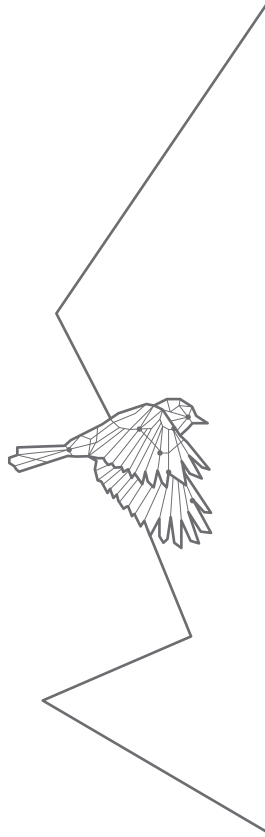
	Year ended 31 March				
	2022	2021	2020	2019	2018
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Turnover	**190,278**	213,256	207,293	234,787	248,614
Profit/(Loss) before taxation	**7,383**	(38,895)	(64,021)	(6,435)	(17,348)
Income tax credit/(expense)	**6**	–	(16)	–	–
Profit/(Loss) before non-controlling interests	**7,389**	(38,895)	(64,037)	(6,435)	(17,348)
Non-controlling interests	**–**	–	(2,624)	6,618	(8,204)
Profit/(Loss) attributable to the owners of the Company	**7,389**	(38,895)	(66,661)	183	(25,552)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 March				
	2022	2021	2020	2019	2018
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
					Restated
Total assets	**882,051**	825,529	755,119	1,091,144	1,039,416
Total liabilities	**(402,225)**	(355,208)	(255,885)	(542,634)	(446,274)
Non-controlling interests	**–**	–	–	3,202	2,890
	479,826	470,321	499,234	551,712	596,032

DETAILS OF INVESTMENT PROPERTIES

Property	Lot no./ location	Category of lease	Use
House 4, Customs Pass No. 18 Fei Ngo Shan Road Sai Kung, New Territories Hong Kong	31 In D.D. 228	Medium term	Investment
House A (including the External Walls and Carport on the G/F thereof) Ocean View Lodge Lot No. 524 in D.D. 238 Sai Kung, New Territories Hong Kong	24/200 undivided shares of/and in the Lot No. 524 in D.D. 238	Medium term	Investment



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