STYLAND HOLDINGS LIMITED
大凌集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 211)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

The board of directors (the "**Directors**" or the "**Board**") of Styland Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2023 ("**FY2023**") together with the comparative figures for the year ended 31 March 2022 ("**FY2022**") as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March

	Note	**2023** ***HK$'000***	2022 *HK$'000*
Turnover		**187,657**	190,278
Revenue	*4*	**26,036**	39,302
Costs of brokerage services		**(2,739)**	(6,028)
Other income		**3,291**	3,247
Administrative expenses		**(56,563)**	(66,206)
Selling and distribution expenses		**(4,443)**	(2,754)
Change in fair value of investment properties		**(14,000)**	60,203

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Change in fair value of financial assets at fair value through profit or loss ("**FVTPL**")		**(641)**	(3,883)
Gain/(Loss) on disposal of financial assets at FVTPL		**752**	(1,810)
Impairment loss on right-of-use asset		**(2,411)**	(3,927)
Impairment loss on intangible asset		**(1,500)**	–
Expected credit losses ("**ECL**") recognized in respect of loan receivables		**(1,058)**	(3,730)
ECL recognized in respect of accounts receivable		**(202)**	(364)
ECL recognized in respect of other receivables		**(2,185)**	(1,125)
Reversal of ECL recognized in respect of loan receivables		**20**	187
Reversal of ECL recognized in respect of accounts receivable		**144**	423
Reversal of ECL recognized in respect of other receivables		**9**	9
Finance costs		**(13,204)**	(6,161)
(Loss)/Profit before taxation	*5*	**(68,694)**	7,383
Income tax credit	*6*	**–**	6
(Loss)/Profit and total comprehensive (expenses)/income for the year		**(68,694)**	7,389
(Loss)/Earnings per share			
– Basic	*8*	**(HK$0.10)**	HK$0.01
– Diluted	*8*	**(HK$0.10)**	HK$0.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March

	Notes	2023 HK$'000	2022 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**5,979**	10,527
Investment properties		**441,500**	485,500
Intangible assets		**–**	1,500
Financial asset at FVTPL		**6,845**	6,682
Loan receivables	*9*	**30,693**	37,316
Deposit paid for acquisition of property, plant and equipment		**105**	–
		485,122	541,525
Current assets			
Loan receivables	*9*	**80,910**	83,049
Accounts receivable	*10*	**26,519**	21,545
Contract asset		**471**	–
Other receivables, deposits and prepayments		**8,296**	15,584
Financial asset at fair value through other comprehensive income ("**FVOCI**")		**–**	–
Financial assets at FVTPL		**9,097**	11,827
Client trust funds		**87,032**	117,098
Cash and cash equivalents		**62,568**	91,423
		274,893	340,526
Assets held for sale		**30,000**	–
		304,893	340,526
Total assets		**790,015**	882,051

	Notes	2023 HK$'000	2022 HK$'000
Current liabilities			
Accounts payable	*11*	**107,029**	124,933
Convertible bonds		**22,854**	–
Other payables and accruals		**11,485**	16,205
Promissory note payables	*12*	**20,000**	25,000
Loans		**180,705**	192,525
Lease liabilities		**4,447**	4,946
		346,520	363,609
Net current liabilities		**(41,627)**	(23,083)
Total assets less current liabilities		**443,495**	518,442
Non-current liabilities			
Convertible bonds		**–**	21,993
Promissory note payables	*12*	**30,000**	10,000
Lease liabilities		**2,363**	6,623
		32,363	38,616
Net assets		**411,132**	479,826
EQUITY			
Share capital		**70,932**	70,932
Reserves		**340,200**	408,894
Total equity		**411,132**	479,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

As at 31 March 2023, the directors consider Kenvonia Family Limited, a company incorporated in Hong Kong, is the Company's immediate and ultimate holding company.

The consolidated financial statements are presented in Hong Kong dollar ("**HK$**"), which is also the functional currency of the Company. The 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 financial services, mortgage financing, insurance brokerage, property development and investment, and securities trading.

2. BASIS OF PREPARATION

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

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

In preparing the consolidated financial statements of the Group, the directors have given consideration to the future liquidity of the Group in light of the facts that it incurred a net loss of approximately HK$68,694,000 and a net cash outflow from operating activities of approximately HK$3,156,000 for the year ended 31 March 2023, and, as of that date, it had net current liabilities of approximately HK$41,627,000. These conditions indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

The directors have reviewed the current performance and cash flows forecast prepared by the management 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 expects to continue generating sufficient cash flows to meet its liabilities as and when they fall due in the next twelve months;

(ii) as at 31 March 2023, included in the loans classified as current liabilities of HK$180,705,000 (2022: HK$192,525,000), HK$141,319,000 (2022: 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 the impacts on the Group's consolidated financial statements, if any, are disclosed in note 3.

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

– investment properties;

– financial asset at FVOCI; and

– financial assets at FVTPL.

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

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

3. ADOPTION OF NEW AND AMENDED HKFRSs

3.1 Amended HKFRSs that are effective for annual periods beginning on or after 1 April 2022

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 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018-2020
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

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.

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[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKFRS 16	Lease Liabilities in a Sale and Leaseback[2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5[2]
Amendments to HKAS 1	Non-current Liabilities with Covenants[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[1]

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

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

3 Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. 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.

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.

Amendments to HKAS 8 "Definition of Accounting Estimates"

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

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

The amendments are effective for annual reporting period beginning on or after 1 January 2023 and are applied prospectively. Earlier application is permitted. The directors expect that the amendments have no material impact on the consolidated financial statements.

4. SEGMENTAL INFORMATION

Information reported to the executive Directors, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance, focuses on types of goods or services delivered or provided. 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 ("**MPF**") 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.

Segment revenues and results

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

For the year ended 31 March 2023

	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*	**Consolidated** *HK$'000*
Segment revenues:							
External revenue	**10,850**	**14,378**	**580**	**–**	**228**	**–**	**26,036**
Inter-segment revenue	**240**	**–**	**–**	**–**	**–**	**(240)**	**–**
	11,090	**14,378**	**580**	**–**	**228**	**(240)**	**26,036**
Segment results	**(22,735)**	**4,883**	**(2,283)**	**(17,858)**	**(751)**	**–**	**(38,744)**
Unallocated income							**43**
Unallocated expenses							**(29,993)**
Loss before taxation							**(68,694)**

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*	Consolidated *HK$'000*
Segment revenues:							
External revenue	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

Segment assets and liabilities

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

As at 31 March 2023

	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*	**Consolidated** *HK$'000*
Segment assets	**138,219**	**96,388**	**328**	**473,382**	**9,447**	**72,251**	**790,015**
Segment liabilities	**115,527**	**27,748**	**247**	**137,632**	**15,037**	**82,692**	**378,883**

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*	Consolidated *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

Other segment information

For the year ended 31 March 2023

	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*	Consolidated *HK$'000*
Amounts included in the measurement of segment profit or loss or segment assets:							
Change in fair value of investment properties	–	–	–	(14,000)	–	–	(14,000)
Change in fair value of financial assets at FVTPL	–	–	–	–	(791)	150	(641)
Gain on disposal of financial financial assets at FVTPL	–	–	–	–	752	–	752
ECL recognized in respect of loan receivables	(853)	(205)	–	–	–	–	(1,058)
ECL recognized in respect of accounts receivable	(202)	–	–	–	–	–	(202)
ECL recognized in respect of other receivables	(2,185)	–	–	–	–	–	(2,185)
Reversal of ECL recognized in respect of loan receivables	20	–	–	–	–	–	20
Reversal of ECL recognized in respect of accounts receivable	144	–	–	–	–	–	144
Reversal of ECL recognized in respect of other receivables	9	–	–	–	–	–	9
Impairment loss on right-of-use assets	(2,411)	–	–	–	–	–	(2,411)
Impairment loss on intangible asset	–	–	(1,500)	–	–	–	(1,500)
Bad debt recovery	21	–	–	–	–	–	21
Write-down to fair value less costs to sell	–	–	–	(207)	–	–	(207)
Depreciation – owned assets	(326)	(9)	(4)	(401)	–	(606)	(1,346)
Depreciation – right-of-use assets	(2,439)	(280)	–	–	–	(567)	(3,286)
Loss on disposal of property, plant and equipment	–	–	–	–	–	(5)	(5)
(Loss)/Gain on exchange difference, net	(113)	–	–	–	1	(2)	(114)
Additions to non-current assets *(note)*	470	–	–	1,286	–	1,063	2,819
Amounts regularly provided to the chief operating decision makers but not included in the measurement of segment profit or loss or segment assets							
Interest income	–	–	–	–	–	43	43
Finance costs	(238)	(12)	–	–	–	(12,954)	(13,204)
Income tax credit	–	–	–	–	–	–	–

Note: The amounts exclude the additions to loan receivables and financial asset at FVTPL.

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*	Consolidated *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 recognized in respect of loan receivables	(3,730)	–	–	–	–	–	(3,730)
ECL recognized in respect of accounts receivable	(364)	–	–	–	–	–	(364)
ECL recognized in respect of other receivables	(1,125)	–	–	–	–	–	(1,125)
Reversal of ECL recognized in respect of loan receivables	187	–	–	–	–	–	187
Reversal of ECL recognized in respect of accounts receivable	423	–	–	–	–	–	423
Reversal of ECL recognized 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 the chief operating decision makers but not included in the measurement of segment profit 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 additions to loan receivables and financial asset at FVTPL.

5. (LOSS)/PROFIT BEFORE TAXATION

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

	2023	2022
	HK$'000	*HK$'000*
Staff costs (including Directors' emolument):		
– salaries, allowances and other benefits	**29,744**	38,960
– retirement benefit scheme contributions	**1,035**	1,172
Auditor's remuneration	**950**	830
Bad debt written off	**–**	106
Depreciation		
– owned assets	**1,346**	1,114
– right-of-use assets	**3,286**	4,342
Loss/(Gain) on exchange difference, net	**114**	(1,029)
Loss/(Gain) on disposal of property, plant and equipment	**5**	(117)
Write-down to fair value less costs to sell	**207**	–
Lease payments for short-term leases	**245**	279

6. INCOME TAX CREDIT

No provision for Hong Kong profits tax has been made in the consolidated financial statements for the years ended 31 March 2023 and 2022 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 in 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%.

	2023	2022
	HK$'000	*HK$'000*
Current tax		
Hong Kong profits tax		
– Current year	**–**	–
– Over provision in respect of prior year	**–**	(6)
	–	(6)

7. DIVIDENDS

The Directors did not propose a final dividend for FY2023.

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 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.

8. (LOSS)/EARNINGS PER SHARE

The calculation of basic loss per share for the year ended 31 March 2023 was based on the loss for the year of HK$68,694,000 and the weighted average number of 709,315,013 ordinary shares in issue during the year ended 31 March 2023.

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

The calculation of basic earnings per share for the year ended 31 March 2022 was based on the profit for the year of HK$7,389,000 and the weighted average number of 703,533,107 ordinary shares 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 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 outstanding convertible bonds since the conversion would result in an increase in earnings per share. Also, it has not assumed the exercise of share options, since the exercise price for the share options was higher than the average market price of the shares in issue.

9. LOAN RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Securities dealing and broking services:		
– Secured margin loans *(note 1)*	**14,031**	23,357
– Unsecured margin loans	**1,930**	1,674
Less: ECL allowance	**(2,334)**	(1,691)
	13,627	23,340
Financing business:		
– Secured mortgage loans *(note 2)*	**96,980**	96,278
– Secured loans	**2,922**	2,922
– Unsecured loans	**12,875**	13,987
Less: ECL allowance	**(14,801)**	(16,162)
	97,976	97,025
	111,603	120,365
The Group's loan receivables (net of ECL allowance) are analysed into:		
– Non-current assets	**30,693**	37,316
– Current assets	**80,910**	83,049
	111,603	120,365

Notes:

1. Secured loans to margin clients are secured by the underlying securities and are interest-bearing. 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 dealing and broking services.

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

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

	2023	2022
	HK$'000	*HK$'000*
Financing business:		
Within 6 months	**45,287**	50,786
Over 6 months but not more than 1 year	**30,825**	22,280
Over 1 year	**21,864**	23,959
	97,976	97,025

10. ACCOUNTS RECEIVABLE

	2023	2022
	HK$'000	*HK$'000*
Accounts receivable	**29,206**	24,174
Less: ECL allowance	**(2,687)**	(2,629)
Total	**26,519**	21,545
Balance in relation to:		
– Securities and futures dealing and brokerage services	**26,230**	21,439
– Others	**289**	106
	26,519	21,545

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

	2023	2022
	HK$'000	*HK$'000*
Within 6 months	**24,204**	19,375
Over 6 months but not more than 1 year	**1,613**	1,752
Over 1 year	**702**	418
	26,519	21,545

11. ACCOUNTS PAYABLE

Accounts payable are mainly in relation to the securities and futures dealing and broking services, which are interest-bearing at the bank deposit savings rates per annum 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 dealing and broking services.

As at the reporting date, the Group's accounts payable that were not denominated in the functional currency of the respective group entities are as follows:

	2023	2022
	HK$'000	*HK$'000*
USD	**9,661**	41,223
NTD	**31,109**	27,658
RMB	**471**	519
Canadian dollar	**25**	27
Great British Pound	**160**	2

12. PROMISSORY NOTE PAYABLES

As at 31 March 2023, the promissory notes bore interest at the range from 5% to 8% (2022: 5% to 8%) per annum and were repayable as follows:

	2023	2022
	HK$'000	*HK$'000*
Current liabilities	**20,000**	25,000
Non-current liabilities	**30,000**	10,000

Subsequent to 31 March 2023 and up to the date of this announcement, HK$10,000,000 of promissory note payables have been matured and repaid by the Group.

13. CONTINGENT LIABILITIES

As at 31 March 2023, the Group had no material contingent liabilities (FY2022: immaterial).

14. EVENT AFTER THE REPORTING PERIOD

On 3 April 2023, the Group entered into a conditional provisional agreement to dispose of Ocean View Villa Limited (formerly known as Hoowin Limited) ("**Ocean View**") at a consideration of HK$30,000,000. For more details about the disposal of Ocean View, please refer to the announcement of the Company dated 3 April 2023 and the circular dated 25 May 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

FY2023 Results

In FY2023, the Group achieved a turnover of approximately HK$187,657,000 (FY2022: approximately HK$190,278,000), and recorded a loss of approximately HK$68,694,000 for FY2023 (FY2022: a profit of approximately HK$7,389,000).

Review of Operations

Financial Services

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

- *Brokerage*

  There were two main factors in FY2023 that weakened investors' sentiment. One of these factors was the geopolitical tension, in particular, the Russia-Ukraine conflict. The other factor was the interest rate hikes in the United States. The Federal Reserve has increased interest rates by 4.5% during FY2023. In Hong Kong, the prime rates quoted by The Hong Kong and Shanghai Banking Corporation Limited have been adjusted upwards three times in FY2023, and these prime rate increases have impacted the Hong Kong stock market. The Hang Seng Index exhibited high volatility in FY2023 with the wide range of changes of over 8,000 points. The average daily turnover of the market for FY2023 was approximately HK$120 billion, a decrease of 19% when compared to FY2022.

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

To facilitate clients' need to hedge their stock market investments, we continued offering the brokerage service for futures investment products during FY2023. In conjunction with our brokerage service to allow our clients to invest in China A-shares through the Stock Connects, we also offered clients brokerage service to invest in MSCI China A 50 Connect Index Futures contracts, providing an efficient risk management tool for investors to manage their Stock Connect China A-shares equity exposure.

During FY2023, we have taken extra effort in building up our client base. The number of our active clients has increased by 42% when compared to FY2022. However, due to the reduced activities in the IPO market and the decrease of average daily turnover for the Hong Kong stock market in FY2023, our performance in the brokerage business was below our expectation. However, following the recovery of the economy from COVID-19, we expect that the IPO activities and investment market sentiment would be improved and would be beneficial to our brokerage business.

During FY2023, we managed the securities dealing turnover of HK$2.4 billion.

- *Brokerage Financing and Other Financing*

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

As at 31 March 2023, the net balance of the brokerage financing loans stood at approximately HK$25,565,000. In light of the inactivity of the IPO market in Hong Kong in 2022, the Group did not record significant interest income from the IPO financing. In FY2023, we managed to maintain a healthy brokerage loan portfolio. Thanks to such effective credit policy, the bad debt provision for our brokerage financing business was kept at an immaterial level.

In addition to the brokerage financing services, our financial services segment also includes other financing service to clients pursuant to the Money Lenders Ordinance. As at 31 March 2023, the net balance of loan receivables for the other financing service was HK$3,812,000, which involved two clients, to whom the loans were granted in the financial year ended 31 March 2020. These two loans were secured or backed by listed securities and/or provision of personal guarantees given by third parties. Because of their long-overdue status, the Group was in the legal process against the clients and/or the guarantors with a view to recover such debts. No new loans under the other financing service were granted for the financial years ended 31 March 2021, 2022 and 2023.

- *Corporate Finance*

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

Throughout 2022, global IPO activities were impacted by increased market volatility and other unfavorable market conditions, along with the rising interest rate environment. During FY2023, the Group was appointed as a financial adviser by a GEM Board company to give it advice about the Listing Rule's requirement for its intention to transfer its listing from GEM Board to Main Board. Subsequent to the completion of financial adviser mandate, the Group was further appointed as a sponsor by that GEM Board company to handle such transfer.

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

- *Asset Management*

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

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

Mortgage Financing

Other than the other financing service we provided under the financial services segment, the Group has also carried on its mortgage financing business under the Money Lenders Ordinance since 2011 through its mortgage financing arm Ever-Long Finance Limited.

To enhance our competitive edge in the marketplace and to provide our clients greater flexibility, we offer three classes of loans, namely first, second and third mortgage loans. Usually, a client is required to offer his/her residential property in Hong Kong as collateral for the mortgage loan. As at 31 March 2023, the Group had 43 individual loans which were referred to it by its registered referral agents. The clients are Hong Kong residents of different background and education levels.

During FY2023, the COVID-19 pandemic and/or interest rate hikes continued to bring hurdles and uncertainties to the global economy as well as the market sentiment in Hong Kong. Facing such market volatility, the Group continued its strategy of maintaining a healthy portfolio as its first priority with a view to preserve its financial strength aiming for long-term profitability when the economy recovers. By maintaining a relatively lower size of its loan portfolio at HK$94,148,000 as at 31 March 2023, the Group did not relax its efforts in complying with the relevant ordinance and guidelines.

The loan sizes contained in the portfolio as at 31 March 2023 ranged from HK$109,000 to HK$5,723,000, and the single largest and the five largest loans were respectively HK$5,723,000 and HK$23,561,000, representing approximately 6.1% and 25.0% of such loan portfolio. We continued to adopt a prudent and cautious approach in running our mortgage financing business by maintaining the loan-to-value ("**LTV**") ratio for new loan drawdowns at a conservative level. Thanks to such measures, the Group's bad debt provision for FY2023 remained at an immaterial percentage to its loan portfolio.

The interest rates offered to clients ranged from 7.2% to 24% per annum for the mortgage loan portfolio as at 31 March 2023. They were fixed based on the classes and tenors of the mortgage loans, the backgrounds, financial position, source and stability of income of the clients. The interest income for FY2023 was HK$14,378,000.

Insurance Brokerage

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

During FY2023, our insurance brokerage business had not improved in terms of its profitability even after the reopening of border between the Mainland China and Hong Kong. The Group would continue to review the development direction of its insurance brokerage business including the possibility of realization of such investment, which would allow the Group to reallocate its resources for other developments.

Property Development and Investment

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

On 3 April 2023, the Group entered into a conditional provisional agreement for the sale and purchase of the entire issued share capital of Ocean View, which owns the Sai Kung Property, at a consideration of HK$30,000,000. For more details about the disposal of Ocean View, please refer to the announcement of the Company dated 3 April 2023 and the circular dated 25 May 2023.

The Fei Ngo Shan Property has a gross site area of more than 16,000 square feet and is located at the low-density luxury section. As at 31 March 2023, the market value of the Fei Ngo Shan Property was HK$441,500,000. The Group expects that Fei Ngo Shan Property would contribute the Group stable source of rental income in the foreseeable future.

Securities Trading

As at 31 March 2023, the Group held a portfolio of listed securities investments consisting of 28 securities, which were engaged in the sectors of (i) consumer discretionary; (ii) information technology; (iii) healthcare; (iv) financials; (v) utilities; and (vi) others. The net realized gain was HK$752,000 and the net unrealized losses were HK$791,000.

Prospects

After the abolishment of all COVID-19 preventive measures in Hong Kong including the mask-wearing requirement, along with the reopening of the border between Mainland China and Hong Kong, the Hong Kong economy showed signs of recovery. To attract foreign capital, Hong Kong has convened various international financial conferences or forums to promote Hong Kong's advantages in economic development to regain foreign investors' confidence in the Hong Kong financial market. With the closer economic integration between the capital markets of the Mainland China and Hong Kong, in particular the huge development opportunities of the GBA, Hong Kong will continue to play an important role as a super intermediary between China and western countries. Our financial services including brokerage, corporate finance and asset management businesses would be benefit from such favorable conditions and advantages.

In Hong Kong, in order to boost the consumption market, the Hong Kong SAR government has implemented the 2023 Consumption Voucher Scheme to distribute consumption vouchers to eligible people by instalments. With the first instalment disbursed in April 2023 and the second instalment to be made in July 2023, we believe that Hong Kong residents' consumption power would be further improved. Also, with the launch of the "Happy Hong Kong" campaign, Hong Kong's economy is expected to be further stimulated. The latest unemployment rate in Hong Kong has been reduced to 3%. All of these factors have created an environment favorable to the development of our mortgage financing business in particular in the area of its credit risk control.

In the United States, the Federal interest rate cycle will likely peak in the foreseeable future. However, it is expected that the interest rate will remain at a high level for a period of time. Interest rates in Hong Kong will inevitably be affected due to its exchange rate peg system with the U.S. dollar. As such, the Group will closely monitor the effect of interest rate hikes on the valuation of its investment property and the impact on the securities trading business.

The Group shall complete the disposal of the Sai Kung Property on or before 30 June 2023. The Group considers that it can reutilize the proceeds towards other appropriate investments and/or business development opportunities for better return for its shareholders. Further, the proceeds from the disposal can further strengthen the cash flow of the Group and will allow the Group to reallocate its resources for future development.

FINANCIAL REVIEW ON LIQUIDITY AND FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 March 2023, the Group's net asset value was approximately HK$411,132,000 (FY2022: approximately HK$479,826,000), and the cash at bank and in hand were approximately HK$62,568,000 of which approximately 94% was held in Hong Kong dollar, approximately 4% in U.S. dollar, approximately 1% in Renminbi, and approximately 1% in New Taiwan dollar.

As at 31 March 2023, the Group's borrowings were comprised of loans, convertible bonds, promissory note payables and lease liabilities amounted to approximately HK$260,369,000 (FY2022: approximately HK$261,087,000) of which approximately HK$86,687,000 (FY2022: approximately HK$82,431,000) was repayable within one year. The gearing ratio, being the ratio of total borrowings to the shareholders' fund, was about 0.63 (FY2022: 0.54).

Investments in Financial Assets

As at 31 March 2023, the Group held a portfolio of listed securities with fair value of approximately HK$9,097,000 (FY2022: approximately HK$11,827,000). The Group will continue to adopt a prudent approach for its investments in financial assets.

Charges on Group Assets

As at 31 March 2023, the Group's investment properties of approximately HK$471,500,000 including the one that was grouped under the "Assets held for sale" (FY2022: approximately HK$485,500,000) and a life insurance policy of approximately HK$6,845,000 (FY2022: approximately HK$6,682,000) 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 Securities and Futures Ordinance (the "**SFO**"). Margin financing loans are granted to customers based on their individual assessment of financial status, repayment records and the liquidity of collaterals placed by them. The applicable interest rate charged to the customer will be determined based on these factors. Generally, margin loans will be demanded for repayment once a customer fails to maintain the maintenance margin, or fails to repay the loan or any sum that is due to the Group.

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

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

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

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

Compliance and Operational Risks

The Group has put in place effective internal control systems for its operations. Under the financial services businesses, the relevant monitoring teams comprised 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 2023, 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	3
Type 2	Dealing in futures contracts	2
Type 4	Advising on securities	3
Type 6	Advising on corporate finance	3
Type 9	Asset management	3

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 FY2023, the financial services operation of the Group had complied with the SFO. Clients were satisfied with our services.

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

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

In addition to the know-your-client procedure, the Group will also observe the requirement to comply with the anti-money laundering and counter terrorist financing regulations for its financing businesses. For our mortgage financing business, to promote clients' awareness of the requirements of the Money Lenders Ordinance, a Summary of Provisions of the Money Lenders Ordinance will also be attached, for client's reference, to the loan agreement to be entered between the Group and its client. For FY2023, our operation had complied with the Money Lenders Ordinance and the applicable guidelines.

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

Interest Rate Risk

During FY2023, 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 2023, the amount of undrawn banking facilities of the Group was approximately HK$29,753,000.

Price Risk

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

Foreign Exchange Exposure

During FY2023, the Group's business activities as well as its assets and liabilities were mainly denominated in Hong Kong dollar, New Taiwan dollar, U.S. dollar and Renminbi. In light of (i) the offset each other for assets and liabilities that were denominated in New Taiwan dollar; (ii) the exchange rate peg between the Hong Kong dollar and U.S. dollar; and (iii) the immaterial balance of assets or liabilities that were denominated in Renminbi when compared to the Group's total assets or liabilities, the Group considers its foreign exchange risk immaterial for FY2023. It is the Group's treasury policy to manage its foreign currency exposure to minimize any material financial impact to the Group.

Cyber Security Risk

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

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

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

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

STAFF

As at 31 March 2023, the Group had 67 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 and mandatory provident fund scheme.

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

BONUS ISSUE OF WARRANTS

The Company would propose a new issue of bonus warrants to shareholders on the basis of one warrant for every one share. Details of the new issue of bonus warrants will be announced in due course.

MATERIAL ACQUISITION AND DISPOSAL

During FY2023, the Group did not make any material acquisitions or disposals.

CORPORATE GOVERNANCE

During FY2023, the Company has complied with all the code provisions of the Corporate Governance Code contained in Appendix 14 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Board has adopted the Model Code (the "**Model Code**") for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules as its own code for securities transactions by Directors.

The Directors have confirmed, following specific enquiry by the Company, that in FY2023, they have complied with the required standard as set out in the Model Code.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during FY2023.

EXTRACT FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract from the independent auditor's report on the Group's audited consolidated financial statements for the year ended 31 March 2023. The report includes an emphasis of matter, without qualification.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 to the consolidated financial statements, which indicate that the Group incurred a net loss of approximately HK$68,694,000 and net cash outflows from operating activities of approximately HK$3,156,000 for the year ended 31 March 2023 and, as of that date, the Group had net current liabilities of approximately HK$41,627,000. These conditions, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

REVIEW OF ACCOUNTS

The Company has the Audit Committee comprising three independent non-executive Directors ("**INEDs**"), namely, Mr. Lo Tsz Fung Philip, Mr. Li Hancheng and Ms. Ling Sui Ngor. The Audit Committee has reviewed the Group's annual results for FY2023.

On behalf of the Board
Li Hancheng
Non-executive Chairman

Hong Kong, 27 June 2023

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

* *For identification purpose only*