华科资本

WEALTHKING INVESTMENTS

Wealthking Investments Limited

Stock Code: 1140

Bridging • Integration

Annual Report 2021/2022

CONTENTS

FORWARD-LOOKING STATEMENTS

This annual report contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of directors of the Company regarding the industry and markets in which it invests. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company’s control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Dr. LIU Zhiwei

Non-executive Directors

Dr. FU Weigang *(re-designated on 11 October 2021)*
Dr. WANG Shibin *(appointed on 11 October 2021)*

Independent Non-executive Directors

Prof. HE Jia *(resigned on 22 April 2022)*
Mr. WANG Xiaojun *(resigned on 22 April 2022)*
Mr. CHEN Yuming
Mr. YAN Xiaotian *(appointed on 22 April 2022)*
Mr. ZHAO Kai *(appointed on 22 April 2022)*

CHIEF EXECUTIVE OFFICER

Dr. ZHU Xianzhong *(resigned on 29 December 2021)*
Dr. LIU Zhiwei *(appointed on 29 December 2021 and resigned on 14 March 2022)*
Dr. Qiao Bingya *(appointed on 14 March 2022)*

AUDIT COMMITTEE

Mr. CHEN Yuming *(Chairman)*
Prof. HE Jia *(resigned on 22 April 2022)*
Mr. WANG Xiaojun *(resigned on 22 April 2022)*
Mr. YAN Xiaotian *(appointed on 22 April 2022)*
Mr. ZHAO Kai *(appointed on 22 April 2022)*

REMUNERATION COMMITTEE

Mr. WANG Xiaojun *(Chairman, resigned on 22 April 2022)*
Mr. ZHAO Kai *(Chairman, appointed on 22 April 2022)*
Prof. HE Jia *(resigned on 22 April 2022)*
Mr. CHEN Yuming
Mr. YAN Xiaotian *(appointed on 22 April 2022)*

NOMINATION COMMITTEE

Dr. LIU Zhiwei *(Chairman)*
Prof. HE Jia *(resigned on 22 April 2022)*
Mr. WANG Xiaojun *(resigned on 22 April 2022)*
Mr. CHEN Yuming
Mr. YAN Xiaotian *(appointed on 22 April 2022)*
Mr. ZHAO Kai *(appointed on 22 April 2022)*

CORPORATE GOVERNANCE COMMITTEE

Prof. HE Jia *(Chairman, resigned on 22 April 2022)*
Mr. YAN Xiaotian *(Chairman, appointed on 22 April 2022)*
Mr. WANG Xiaojun *(resigned on 22 April 2022)*
Mr. CHEN Yuming
Mr. ZHAO Kai *(appointed on 22 April 2022)*

AUTHORIZED REPRESENTATIVES

Dr. LIU Zhiwei
Ms. NG Sau Lai

COMPANY SECRETARY

Ms. NG Sau Lai

INVESTOR RELATIONS CONTACT DETAILS

Tel: (852) 2842 9688
Fax: (852) 2842 9666
Email: ir@wealthking.com.hk

INVESTMENT MANAGER

Bestone Capital Limited

AUDITOR

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23/F, Tower 2, Enterprise Square Five
38 Wang Chiu Road
Kowloon Bay, Kowloon
Hong Kong

PRINCIPAL REGISTRAR

SMP Partners (Cayman) Limited
Royal Bank House, 3rd Floor
24 Shedden Road, P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

BRANCH REGISTRAR

Tricor Abacus Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

REGISTERED OFFICE

P.O. Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS

41/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

PRINCIPAL BANKER

Shanghai Pudong Development Bank Hong Kong Branch
Bank SinoPac
Shanghai Commercial Bank Limited
China Construction Bank Corporation Hong Kong Branch
Hang Seng Bank Limited
DBS Bank Limited

STOCK CODE

The Stock Exchange of Hong Kong Limited
Code: 1140

WEBSITE

www.wealthking.com.hk

CHAIRMAN'S STATEMENT

Dear Shareholders:

In 2021, vaccination programmes have been promoted around the world, however, the new variant of the virus continues to raged across the globe, which has brought lots of uncertainties to the recovery of the economy. We realized that this global pandemic has become a watershed year and a crossroad for 21st Century: the wave of digitalization is flooding, the industry structure is rapidly transforming, the geopolitical layout and economic situation is also changing profoundly. However, I always believe that the more complex the external environment is, the greater responsibility the investment company are committed to, the company strategy should become more "dynamic and static". Dynamic means to follow the development trend of the time being and make timely adjustments; static means to adhere to the original intention, gradually seeking progress over the long term.

Wealthking Investments was listed on the Main Board of the Stock Exchange of Hong Kong in 2003, and is celebrating its 20th anniversary of listing this year. In the past 20 years, we have been a pioneer in investing oversea, experienced financial tsunami and pandemic, and is having a foothold in the Hong Kong market, which is highly competitive. In recent years, we have benefited from the advantages of developing the Greater Bay Area by the country. At the junction of the new era, Wealthking Investments has comprehensively optimized its strategic system and established the development roadmap with the core of "strong, stable and large". In the past year, the Company worked together to accelerate the construction of a technology industry investment layout, enhance the risk management system, continue to expand the scale of asset management, and promote the implementation of new strategies in different aspects. The Company recorded a profit of HK$221.27 million for the year and total assets increased from HK$5,368 million last year to HK$7,441 million this year.

I. ENLARGING THE LAYOUT OF THE TECHNOLOGY SEGMENT WITH THE DIGITAL ECONOMY AS THE DIRECTION

The pandemic is accelerating people's life and work to go online. This makes us believe that digital technology is gradually penetrating socio-economic life and that we are in the amidst of a new wave of digitalized transformation. Wealthking Investments firmly believes in the strategic position of digital economy in the future socio-economic development, and has set digital economy as a major investment direction for the Company, from which we are seeking for excellent investment targets that truly mastered key technologies, with sustainable competitiveness and are able to create social value. In order to assist in the expansion of the investment business, we have upgraded our talent echelon, inviting experts in the digital economy segment to our board of directors and investment committee, and adding a professional digital investment and research team to our business team. In the past year, we have made lots of layouts in respect of the digital economy industry, upstream industries such as semiconductor, optoelectronic production, software technologies; midstream such as digital asset management, quantum computing; downstream such as digital asset fund.

II. STABILIZING CORPORATE GOVERNANCE WITH SUSTAINABLE DEVELOPMENT AS TARGET

We believe that a excellent corporate governance system is the key to sustainable corporate development. How to win the trust and respect of employees, shareholders, partners, regulatory authorities, community and other stakeholders is always an important issue for the person who is managing Wealthking Investments. Along the way, we experienced several global or regional crises, we therefore are highly alert to the bottom line of risk control and committed to continuously polishing and upgrading our own anti-risk system. Wealthking Investments always adheres to high standards regarding to risk control and compliance, we continue to improve the construction of internal control system, regularly review corporate governance policies, enhance the mechanism of fund-raising, investment, management and withdrawal, strengthen the ability of stress resistance of asset portfolio, promoting the sustainable development of the Company.

III. BROADENING FUND-RAISING CHANNELS TO ENLARGE THE SIZE OF THE COMPANY

Wealthking Investments is one of the unique target among Hong Kong investment companies. Through Wealthking Investments, any investor can efficiently participate in the huge and growing Chinese market and globalized investment, regardless of cycles and restrictions of industries, and grasps the long-term, structural opportunities. In respect of the growing onshore and offshore markets in China, the characteristics of sustainable development and flexible allocation make Wealthking Investments increasingly supported by investors, and we are pleased to complete three rounds of issue and allotment of new shares in the past year. Currently, the authorized capital of Wealthking Investments has expanded to $20 billion and the issued shares have exceeded 7 billion. In the subsequent three years, we hope to further broaden our fund-raising channels, bring in more investors who recognize our strategy and tactics, and expand the scale of overall asset. We will focus on improving our investment research capabilities and will be committed to identifying and assisting the leading companies in the next generation technology wave to build a value-leading investment portfolio.

In face of the complex situation of geopolitical conflicts, the game of large countries and pandemic, China's economy has shown strong resilience, with technologies and innovation continue to improve, the strong rise of cities of the countries and the transformation and upgrading of the economic structure, the long-term prospects of the Chinese economy remained unchanged. As the earliest Chinese investment company in the Hong Kong market, Wealthking Investment will fully committed to its mission and responsibility as an investment company, actively participate in the construction of the Guangdong-Hong Kong-Macao Greater Bay Area and assist in the national technology innovation development strategy. I am confident in the Company's strategy, team and corporate culture, and will firmly implement the development roadmap of "strong, stable and large", enhance the value identifying capability, strictly adhere to the bottom line of risk control, continue to expand the scale of assets, and create long-term and sustainable returns for shareholders!

LIU Zhiwei
Chairman
24 June 2022, Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS

WEALTHKING INVESTMENTS OVERVIEW

Wealthking Investments Limited ("Wealthking Investments") is a cross-border investor with a focus on China's fast-growing industries and the best investment opportunities. We believe that a long-term investment perspective is a critical enabler of value creation. The integration of industry, technology and financial capital has become an irresistible trend, which is propelling new industrial revolutions. Our mission is to identify great companies and enhance their performance through providing patient capital and strong support to the excellent management teams.

We leverage our capital strength to invest in targeted companies. Our investment strategy is comprised of three pillars, namely core-holding-centered private equity, portfolio management as well as trading and others, with returns generated from interests, dividends and capital appreciation.

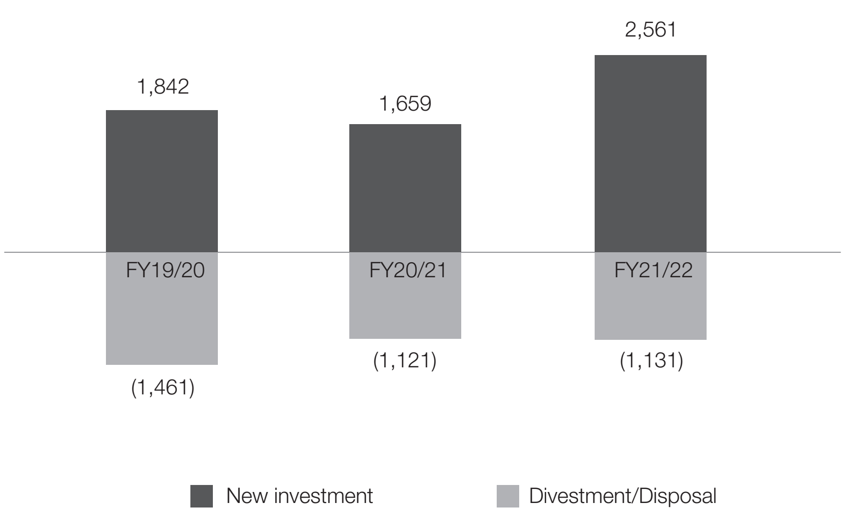
INVESTMENT REVIEW

Investment Activities

During the Year (the twelve months ended 31 March 2022, same as below), new variants continue to disrupt the progress of the recovery of global economic. Meanwhile, the ongoing geopolitical tension, inflationary pressures and a series of industry regulatory measures have greatly affected the capital market. Wealthking Investments has sought certain industry trends amidst the challenges of a complex and volatile market environment, focusing our investment vision on emerging technology sectors to drive the business expansion through technology layout. We continue to adhere to the tri-engine driving investment strategy, increasing the investment in portfolio management category, actively capturing the investment opportunities in the market, balancing liquidity and rate of return of the asset, to contribute medium-term returns to the Company.

During the Year, global economic activity were still constrained by the pandemic, we exercised extra prudence on new equity investments and strove for the maximum value of our capital and the financing capability as a public company. Our investment and divestment decisions are made based on comprehensive considerations and assessments of return, risk and opportunity cost. We invested HK$2,561.30 million during the Year, mainly through private equity, debt investments, funds as well as listed securities, and our divestment amounted to HK$1,130.53 million, mainly derived from some short-term debt instruments, listed securities and private equity investments.

New Investment and Divestment/Disposal over the latest 3 Years
(HK$ million)



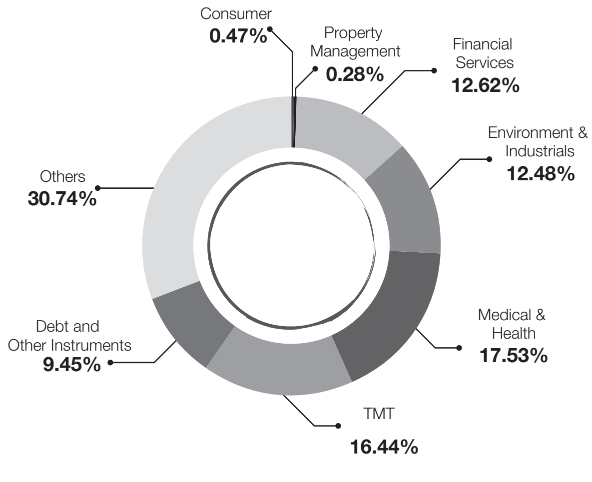
Portfolio Breakdown

To quickly adapt to the changes and seize the opportunities, in the FY2020/2021, we underwent a business transformation and strategic upgrade. During the Year, our investment strategy is comprised of three pillars, namely core-holding-centered private equity, portfolio management as well as trading and others.

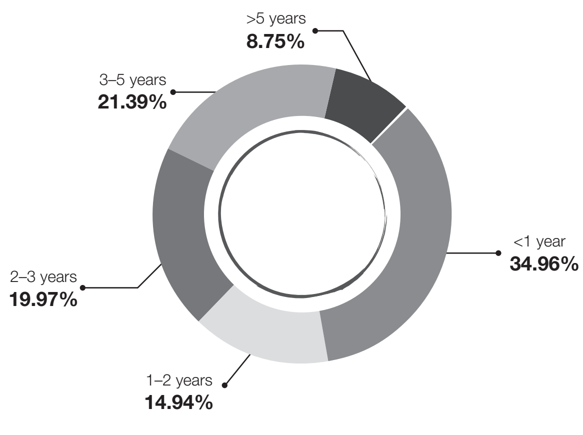
Private equity strategy aims to leverage our capital to directly invest in and empower great companies, and long-term core holding is our primary focus. We identify and invest in companies with high growth potential and hold them as core-holding portfolio supporting their long-term development with patient capital. Portfolio management strategy represents our medium- to long-term investment in the secondary market, debt investment and others which are expected to contribute medium-term returns to the Group. The strategy of trading and others stress to balance liquidity and rate of return of the asset by capturing short-term investment opportunities and other opportunistic transactions in the secondary market in and outside China.

As of 31 March 2022, the four main sectors of our existing portfolio were Medical and Health, Environment and Industrials, Technology, Media and Telecom ("TMT") and Financial Services, which represented 59.1% of our total investments holdings. Our leading position in the Medical and Health sector in terms of valuation was the investment in iCarbonX Group Limited ("iCarbonX"), while in the Environment and Industrials sector, Dagang Holding Group Co., Ltd. ("Dagang Holding") was the largest holding. Our major investment in the TMT sector included Jiedaibao Limited ("Jiedaibao"). Our major investment in the Financial Services sector included CSOP Asset Management Limited ("CSOP") and Treasure Up Ventures Limited (Beijing International Trust Co., Ltd.).

BY SECTOR (FY2021/2022)



BY HOLDING PERIOD (FY2021/2022)



MANAGEMENT DISCUSSION AND ANALYSIS

MAJOR INVESTMENT PORTFOLIO

Private Equity

Private equity represents equity investment in private companies through our own capital to support its long-term development. We mainly divide private equity into two categories, namely long-term core holding and other private equity. As of 31 March 2022, Wealthking Investments' holdings in private equity category amounted to HK$3,393.70 million.

Long-Term Core Holding

As of 31 March 2022, three companies were categorized as our long-term core holding portfolio, namely iCarbonX, CSOP and OPIM Holdings Limited ("OPIM"). iCarbonX primarily focuses on digital health management, CSOP is the largest Qualified Foreign Institutional Investor ("RQFII") manager globally, and OPIM is Asia's leading hedge fund platform. Wealthking Investments' holdings in the core holding companies amounted to HK$1,142.09 million as at 31 March 2022. Given the growth potential of the core holding companies, Wealthking Investments will continue to hold them and support their development in the long run while pursuing long-term investment return correspondingly.

iCarbonX Group Limited

Date of initial investment: 2018
Type of deal: Core Holding
Equity ownership: 7.73%
Cost: HK$1,098.79 million
Carrying value: HK$1,000.55 million
Location: China
Industry: Medical & Health

In 2018, Wealthking Investments invested in iCarbonX as one of its core holding companies and established a joint venture with iCarbonX named iCarbonX OP Investment Limited to capture potential investment opportunities within the healthcare industry. As at 31 March 2022, the Group owned 7.73% of equity interests in iCarbonX and the carrying value of the position stood at HK$1,000.55 million, decreasing 12.95%, or by HK$148.83 million as compared to HK$1,149.38 million as at 31 March 2021.

iCarbonX is a global pioneer in artificial intelligence ("AI") and precision health management and aims to build an ecosystem of digital life based on a combination of individuals' life data, the internet and AI. Its main founding team comprises the world's top biologists with extensive experience in multi-omics technology, medical service, biological data analysis, AI and data mining.

iCarbonX established the Digital Life Alliance (the "Alliance") with a number of cutting-edge health-tech companies in 2016 and has been actively carrying out cross-border collaborations in order to maximize synergy and promote mutual growth within the Alliance. In March 2021, iCarbonX announced its strategic partnership with Olink Proteomics, a NASDAQ-listed company dedicated to accelerating proteomics, to jointly introduce its Olink platform to China market, which would provide quantifiable results with high-throughput, exceptional sensitivity and specificity using minimal sample volume.

In addition, iCarbonX has been deeply concerned with the outbreak of COVID-19 since January 2020 and its COVID-19 neutralizing antibody test kit has received the CE Mark certification as at the end of 2020. In Mainland, iCarbonX's newly established Shenzhen Weiban Medical Test Lab (深圳微伴醫學檢驗實驗室) has been approved by local government for conducting COVID-19 test for people who need a testing results report to travel or work.

Under the vision of continuing the construction of Digital Life ecosystem, iCarbonX has determined the strategic direction of using multi-omics and AI as the main technology platform and polypeptide chip as the core technology. ICarbonX has applied polypeptide chip in the innovation and development of polypeptide medicines, making the medicine segment as the key business, and constructing a medicine research and development platform which is driven by AI. The diagnostic segment has covered metabolic disorder, autoimmune diseases and other fields, and continues to drive the development and transformation of new in vitro diagnostic products by relying on clinical collaboration resources and platform innovation driving force. In respect of chip research and development, iCarbonX relocated its polypeptide chip research and development platform to China in September 2021, production efficiency is significantly improved.

Wealthking Investments believes iCarbonX's expertise in life science and AI equips the Group with unparalleled competitive advantages, particularly in an era of post-COVID-19, when AI-enabled healthcare research & development (R&D) is given significant prominence and people's awareness of health management improves. Going forward, the Group will continue to take an active role in bridging opportunities between iCarbonX and industry leaders to foster its development within the healthcare industry and attain capital appreciation. The investment in iCarbonX is believed to benefit Wealthking Investments over the long run, therefore iCarbonX is held as a long-term core holding company within Wealthking Investments' portfolio.

CSOP Asset Management Limited

Date of initial investment: 2008
Type of deal: Core Holding
Equity ownership: 22.5%
Cost: HK$60 million
Carrying value: HK$103.74 million
Location: Hong Kong
Industry: Financial Services

CSOP was jointly established by Wealthking Investments and China Southern Asset Management Co., Ltd in 2008. As at 31 March 2022, Wealthking Investments owned 22.5% of the issued capital of CSOP, of which the carrying value stood at HK$103.74 million, decreasing 0.09%, as compared to HK$103.83 million as at 31 March 2021, such change is due to the HK$46.73 million dividend distributed by CSOP, which was driven by its robust business performance during the Year.

CSOP is a well-known asset management company based in Hong Kong, which manages private and public funds, and provides investment advisory services to Asian and global investors with a dedicated focus on China investing. As a leading cross-border asset management expert in respect of Asset Under Management (AUM), CSOP once held the world's largest RMB RQFII quota of RMB46.1 billion. CSOP is a leading Exchange Traded Fund ("ETF") provider in the Hong Kong market, among the top 10 most actively traded ETFs listed on the Hong Kong Stock Exchange ("HKEX"), nearly half of them are by CSOP. As at 31 December 2021, the scale of asset management of CSOP exceeded US$11 billion, representing a growth of over 11% in scale in 2021.

In the fast-changing market, CSOP never stops being innovative in capturing opportunities. During the Year, CSOP have launched a series of ETF with future theme, including the first Metaverse Concept ETF in Hong Kong, Global Smart Driving Index ETF, Global Cloud Computing Technology Index ETF, etc., to satisfy the investment demand of investors for emerging markets. Thanks to its excellent product design and strong performance, CSOP has won many awards in total from various parties at both corporate and product levels during the Year, including but not limited to the "Asia Fund House of the Year" and "Fund House of the Year" by AsianInvestor, which is a authoritative asset management magazine in Asia, this is also the first time that a Chinese asset manager has won "Asia Fund House of the Year" since the establishment of the awards.

China has been accelerating the reforms and opening-up of its financial market in recent years and it is one of the most attractive investment destinations for international investors. CSOP will continue to bridge investment opportunities in China for overseas investors with its innovative fund products and expertise, achieving decent returns for investors and at the same time enhancing its leading position in the RQFII product management sector. Wealthking Investments believes that CSOP will continue to bring solid returns and therefore will hold it as a long-term core holding company.

OPIM Holdings Limited

Date of initial investment: 2008
Type of deal: Core Holding
Equity ownership: 30%
Cost: HK$59.47 million
Carrying value: HK$37.8 million
Location: Hong Kong
Industry: Financial Services

As at 31 March 2022, Wealthking Investments owned 30% of the issued ordinary shares and 100% of the non-voting preference shares of OPIM, the position in OPIM stood at HK$37.8 million as compared to HK$56.0 million as at 31 March 2021. OPIM managed 38 funds as at the end of 2021, the scale of fund management was about US$200 million.

OPIM is a leading hedge fund platform in Asia serving both global and Asia based managers to develop funds across diversified strategies for institutional and professional investors. It has built a whole ecosystem linking up fund managers, service providers and capital allocators, which enables the managers to launch offshore funds with efficient and affordable structures. With the ecosystem, managers are able to focus on fund performance and build a proven track record for future expansion. OPIM has also built strategic partnerships in Singapore, Europe and Mainland China to continue to increase its customer base and expand the scope of its service offerings to customers.

With the increasing scale of China's private funds in the overseas market, OPIM is expected to maintain the momentum of steady growth in terms of both the number of funds and the overall asset scale. At the same time, China has been accelerating the opening-up of its financial markets, which improves foreign managers' access to the Chinese market and as a result, OPIM is expected to benefit from it. Wealthking Investments believes that OPIM has great potential to continue to grow its business, and therefore will hold it as a long- term core holding company.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Private Equity

Apart from long-term core holding, Wealthking Investments' holdings in the other Private Equity category amounted to HK$2,251.61 million as at 31 March 2022. The Group added new investments of HK$314.67 million and exited from an investment amounting to HK$134.56 million in total in this category during the Year. In making decisions on either to maintain the holdings for future divestment to benefit from growth of business, or to exit and harvest returns for potential new investments, the Group based on prudent and extensive analysis of market condition and investment projects' prospect.

The major investments are listed as below:

Jiedaibao Limited

Date of initial investment: 2020
Type of deal: Private Equity
Equity ownership: 2.49%
Cost: HK$900.39 million
Carrying value: HK$954.58 million
Location: China
Industry: TMT

In 2020, Wealthking Investments entered into a share purchase agreement (the "Share Purchase Agreement") with an existing shareholder (the "Seller") of Jiedaibao to purchase 1.97% of the shares issued by Jiedaibao at a consideration of HK$700 million. Wealthking Investments subsequently increased its capital by HK$200.39 million in November 2021. As at 31 March 2022, the Group's position in Jiedaibao stood at HK$954.58 million, representing 2.49% of the shares issued by Jiedaibao.

Founded in 2014, Jiedaibao is an internet fintech company providing services of contract signing, registration and post-loan management for borrowing and lending money between individual users and supply chain finance of corporate users, aiming to solve the financing difficulty problem for individuals as well as micro-, small and medium- sized enterprises ("SME"). Jiedaibao strives to be the largest service platform for individual borrowings and corporate supply chain finance in China. The mobile App 借貸寶 ("借貸寶"), which is operated by Jiedaibao, mainly provides registration tools for online I Owe You ("IOU") issuance and supplementing and relevant value-added services. Adopting AI visual technology, a sound cloud storage system and online payment system, 借貸寶 empowers online borrowing and lending transactions and micro-SME's supply chain finance. The sources of revenue are mainly coming from registration service fee, collection service fee, marketing fee, certification service fee, software development fee and loan interests, etc.

By right of the universality of its function and the business model, 借貸寶 has gained significant market share in Mainland China since its launch 6 years ago. With licenses of online payment, commercial banking and internet microloans, Jiedaibao is building a complete Fintech ecosystem. Wealthking Investments expects the continuously growing business of Jiedaibao would generate considerable medium-term return for the Group.

Treasure Up Ventures Limited (Beijing International Trust Co., Ltd., "BITIC")

Date of initial investment: 2016
Type of deal: Private Equity
Equity ownership: 25%
Cost: HK$351.67 million
Carrying value: HK$394.35 million
Location: China
Industry: Financial Services

Wealthking Investments acquired 25% equity interest in Treasure Up Ventures Limited ("Treasure Up"), which in turn participates in a minority economic interest in BITIC. As at 31 March 2022, the Group's position in BITIC stood at HK$394.35 million as compared to HK$446.74 million as at 31 March 2021. The decrease was primarily attributable to the instability of the global market due to global outbreak of COVID-19 variants, which led to decrease the valuation of companies in the same industry. Notwithstanding, for 2021, the parent company of BITIC recorded a net profit of RMB1,100 million with a year-over-year increase of 11.55%.

BITIC is a China-based large-scale non-banking financial institution, which primarily engages in trusts, investment funds, financial services, brokerage and advisory business. The trust industry has been playing an irreplaceable role in China's economic development and financial resource allocation. In recent years, the rapid development of wealth management business driven by the accumulation of private wealth has brought the industry with historic opportunities. Quickly adapting to the changes in the market and national policy environment, BITIC formulated its twin-engine strategy in 2019, which is asset management and wealth management respectively, and has adjusted its service offering focusing on quality rather than quantity since 2018. After several years of continuous improvement and development, BITIC has established four professional sectors, which are securities investment, securities research, investment banking and securities operation, and has formed multi-strategy TOF portfolio investments, fixed-income investments, asset securitization and other securities investment product lines, creating many representative products with excellent performance.

The active management capability of BITIC ranks high in the industry, it has been awarded "Outstanding Trust Company Award", "Financial Product of the Year with Influence in Financial Market" and other honors, and has been recognized by investors and partners. Wealthking Investments believes that with the continuous opening-up and improvement of China's financial system, and the leading position of BITIC in trust industry, BITIC is expected to deliver a decent return on investment for the Group.

華建實業投資有限公司 (“華建實業”)

Date of initial investment: 2020
Type of deal: Private Equity
Equity ownership: 12.5%
Cost: HK$370 million
Carrying value: HK$367.26 million
Location: China
Industry: Others

Wealthking Investments entered into agreements to acquire 100% of the equity of Wall King Industry Investment Limited, which in turn to purchase 12.5% of equity interest issued by 華建實業 with a total consideration of HK$370 million. As at 31 March 2022, the Group's position in 華建實業 stood at HK$367.26 million, decreasing 5.44% as compared to HK$388.38 million as at 31 March 2021 due to it's operations affected by the COVID-19 variants.

華建實業 is a consolidated investment holding group with industrial investment, equity investment, investment management as its main business. With the double-engine strategy of industrial operations complemented by equity investment, investment areas of 華建實業 are mainly in the promising industries, such as high-end equipment manufacturing, culture and arts, internet and real estate, striving to become the capital operation platform with global vision and social influence in the PRC.

China's economic development has entered into a new stage where technology is a key driver and domestic consumption is playing an increasingly important role. As a result, there are plenty of opportunities in the emerging industries into which the Chinese government has been guiding the factors of production to flow through supply-side structural reform. 華建實業 primarily focuses on the emerging industries and holds a number of prime investment projects with great growth prospects, and therefore, it is expected to bring medium-term investment returns to the Group.

PORTFOLIO MANAGEMENT

As at 31 March 2022, Wealthking Investments' holdings in the portfolio management category amounted to approximately HK$3,107.08 million, of which, the holdings in the investment on funds amounted to HK$1,595.18 million, listed securities amounted to HK$885.44 million, debt investments amounted to HK$626.38 million, other investment amounted to HK$0.08 million. The Group added an investment of HK$2,215.62 million and exited from debt investments, listed securities and others amounting to HK$972.40 million in total in this category during the Year. At the same time, our portfolio of debt instruments recorded provision for expected credit losses under HKFRS 9, while some listed securities recorded market price change during the Year.

The Group invests in debt instruments with the consideration of return, risk and liquidity. For the Year, the interest rate we charged for the debt instruments, of which the borrowers were mainly investment companies, ranged from 6% to 10% as compared to 6% to 11.5% for the same period last year. The total interest income generated from debt instruments was HK$91.11 million with loan tenures ranging from 1 year to 2 years, while th corresponding amount and range for the same period last year were HK$101.38 million and 2 years to 5 years, respectively.

Wealthking Investments maintains regular communication with debt issuers and loan borrowers. As at the end of the Year, management have assessed the repayment ability of the issuers/borrowers for the determination of expected credit loss provisions.

The major investment is listed as below:

Dagang Holding Group CO., LTD. (Stock code: 300103.SZ)

Date of initial investment: 2019
Type of deal: Securities
Equity ownership: 19.9%
Cost: HK$822.56 million
Carrying value: HK$739.78 million
Location: China
Industry: Environment & Industrials

In June 2019, the Company via its wholly-owned subsidiary, 英奇投資(杭州)有限公司, entered into a share transfer agreement with the seller to acquire 19.9% shareholding or 63,202,590 shares of Dagang Holding, which have been registered under the name of 英奇投資(杭州)有限公司 with China Securities Depository and Clearing Corporation Limited as at 23 October 2020.

As at 31 March 2022, the Group's position in Dagang Holding stood at HK$739.78 million, decreasing 11.8% as compared to HK$839.01 million same period of last year mainly due to unfavorable market conditions leading to a drop in share price. In 2021, Dagang Holding's high-end road equipment R&D and manufacturing business and environmental protection business is affected by the factors such as pandemic, increase in raw material procurement cost, metal price volatility, resulting in a year-on-year decline in the performance of the business segment. In 2021, the total operating income of Dagang Holding decreased by 21.21% as compared with the same period in 2020.

Founded in May 2002 and being listed on the SME Board of Shenzhen Stock Exchange in August 2010, Dagang Holding has been trading under stock code of 300103.SZ. Currently, Dagang Holding has developed into a high-tech enterprise integrating the business segments of "high-end road equipment R&D and manufacturing + public facilities smart operation and maintenance + comprehensive recycling of hazardous waste and solid waste". Its products and services are widely used in various fields such as road construction, public facility management, environmental protection, digitalization of vector control. During 2021, Dagang Holding extends vector control and rural vitalization businesses based on the foundation of the existing three sector businesses, further strengthen synergies among businesses.

Wealthking Investments believes that benefiting from its established market leadership in the high-end road equipment sector and the growth momentum of urban road smart operation and maintenance as well as comprehensive recycling of hazardous waste and solid waste sector, and further expansion of vector control and rural vitalization sectors, Dagang Holding is expected to bring medium-term returns to the Group.

Ninth Eternity Asia Fund LP

Date of initial investment: 2021
Type of deal: Fund
Equity ownership: 23.33%
Cost: HK$700 million
Carrying value: HK$699.70 million
Location: China
Industry: Others

In 2021, Wealthking Investments entered into the Subscription Agreement with Ninth Eternity Asia Fund LP through its wholly-owned subsidiary. The scale of Ninth Eternity Asia Fund LP is HK$3 billion, it focuses on the investment opportunities in growing industries in the Greater China, and the key investment area including high growth industry such as technology, high-end manufacturing. The investment scope of the fund includes primary equity, stocks, bonds (including convertible bonds) and other equity products or fixed income products. The Group's position in Ninth Eternity Asia Fund LP was HK$699.70 million as at 31 March 2022.

Pursuant to the Partnership Agreement of the Fund, Ninth Eternity HK Limited is the General Partner of Ninth Eternity Asia Fund LP, it has the exclusive power and authority to manage the Partnership, as well as the discretionary authority to manage the assets and investments of the Partnership. Ninth Eternity HK Limited is established by the earliest innovative domestic and overseas investment fund managers, which has more than 10 years of experience in the investment field, and has extensive experience in multiple macroeconomic cycles, financial cycles, industrial cycles and fund management cycles and achieved excellent investment performance.

China's economy is at a critical stage of transformation and upgrading. "The 14th Five-Year Plan" proposed to strengthen national strategic technology power and implement manufacturing power strategy, technology and high-end manufacturing will definitely be the focus of the next development stage of the PRC. The key investment industry of Ninth Eternity Asia Fund LP covers the relevant fields under the guideline of national strategy. It is believed that the professional capability of the management team in terms of investment management, resources integration and compliance risk control, will assist the Group to capture the investment opportunities of technology, high-end manufacturing and other fields, which is expected to create medium-term returns to the Group.

Ninth Eternity Asia Fund II LP

Date of initial investment: 2021
Type of deal: Fund
Equity ownership: 26.67%
Cost: HK$800 million
Carrying value: HK$799.63 million
Location: China
Industry: Others

In 2021, Wealthking Investments entered into the Subscription Agreement with Ninth Eternity Asia Fund II LP through its wholly-owned subsidiary. The scale of Ninth Eternity Asia Fund II LP is HK$3 billion, it mainly invests companies with stronger competitiveness and sustainable growth ability in the Greater China. Ninth Eternity Asia Fund II LP mainly focus on investment opportunities in high-growth industries such as consumption, internet and pharmaceuticals, covering venture capital, primary equity, stocks, bonds and other products. The Group's position in Ninth Eternity Asia Fund II LP was HK$799.63 million as at 31 March 2022.

Fleming Capital Holdings Limited is the General Partner of Ninth Eternity Asia Fund II LP. It consists of a professional management team with international background and extensive experience in global asset management, committing to building a competitive product and service system. In the context of high-quality economic development in China, Fleming Capital Holdings Limited deeply captures the investment opportunities in the real economy and capital market in Greater China by in-depth investment research and professional investment judgement and it is expected to bring medium-term returns to the Group.

TRADING AND OTHERS

As at 31 March 2022, Wealthking Investments' holdings in the trading and others category amounted to HK$21.83 million. Wealthking Investments' holdings in listed securities that fell into this category amounted to HK$20.93 million, while the holdings in the other equity investment amounted to HK$0.90 million. During the Year, Wealthking Investments made new investments in and divestments from some listed securities and an equity investment to enhance the capital liquidity and generated returns from capital gains.

FINANCIAL REVIEW

Financial position

Net asset value: As at 31 March 2022, the Group's net asset value was HK$5,528.24 million, or HK$1.36 per share, as compared to HK$4,527.18 million and HK$1.56 per share respectively as at 31 March 2021.

Gearing: The gearing ratio, which was calculated on the basis of total liabilities over total equity as at 31 March 2022, was 0.35 (31 March 2021: 0.19).

Investments in associates and joint ventures: It represents our interests in companies such as core holding company CSOP and Treasure Up etc. Assets value stood at HK$688.65 million as at 31 March 2022 (31 March 2021: HK$705.02 million), representing a year-on-year decrease of 2.32% mainly due to the fact that CSOP's business growth for the Year, resulted in the payment of dividends of HK$46.73 million, which in turn a decrease in attributable revenue.

Investments at fair value through profit and loss: It stood at HK$5,217.87 million as at 31 March 2022, representing an increase of 41.88% as compared to HK$3,677.78 million as at 31 March 2021, mainly attributable to the two placing carried out during the Year, the proceeds have been utilized to invest in premium projects.

Debt investments: It represents the investments in debt instruments as at 31 March 2022, which amounted to HK$616.09 million. The increase of 12.14% as compared to HK$549.37 million as at 31 March 2021 was primarily because the use of placement proceeds for debt investments.

Bank and cash balances: As at 31 March 2022, the Group's bank and cash balances stood at HK$86.40 million (31 March 2021: HK$66.61 million). We manage our bank and cash balances principally on the basis of making good use of capital to achieve returns for shareholders and ensuring sufficient liquidity for our working capital requirements.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

During the Year, the continuous recurrence of COVID-19 pandemic, the turbulent geopolitical situation and increasing expectations of raising interest rate exacerbated the volatility of the global capital market, and had a certain impact on the valuation of our investment portfolio as well. The Group recorded a total revenue of HK$93.93 million for the Year, representing a year-on-year decrease of 15.01% primarily attributable to the decrease in interest income due to the maturity of certain debt investments. The Group recorded profit for the Year of HK$221.27 million as compared to a profit of HK$372.56 million for last year. It is primarily due to HK$266.38 million of net change in unrealised loss on investments at fair value through profit or loss, but offset by HK$5.29 million of realised gain on some disposal/distribution of investments, HK$460.37 million of reversal of provision for ECL and HK$4.68 million of share of results of associates and joint venture.

Consolidated statement of profit or loss and other comprehensive income

Revenue represents the income received and receivable on investments during the Year as follows:

	Twelve months ended 31 March	
	2022	2021
	HK$'000	HK$'000
Dividend income[(1)]	**2,654**	1,065
Interest revenue[(2)]	**91,275**	109,457
	93,929	110,522

(1) Dividends received and receivable from listed securities during the Year.

(2) Interest revenue were primarily generated from the Group's debt instruments as well as deposit in banks.

Net change in unrealised (loss)/gain on investments at fair value through profit or loss: The net change in unrealised loss of HK$266.38 million (FY2020/21: gain of HK$243.52 million), mainly represents net unrealised losses on listed shares HK$135.92 million.

Net change in unrealised gain on financial liabilities at fair value through profit or loss: The net change in unrealised gain of HK$2.01 million (FY2020/21: HK$3.02 million) mainly represents the share of unrealised loss by our co-investment partners.

Net realised gain/(loss) on disposal/distribution of investments: The realised gain of HK$5.29 million (FY2020/21: loss of HK$118.69 million) during the Year mainly represents realised gain on the disposal of listed shares.

Reversal of provision for ECL: The reversal of provision of HK$460.37 million (FY2020/21: HK$74.71 million) for ECL mainly due to the recovery of some debts and the change in the provision rate of ECL during the Year.

Operating and administrative expenses: The total amount of HK$49.48 million operating and administrative expenses (FY2020/21: HK$62.14 million) was mainly the result of the depreciation of right-of-use assets, staff costs, investment management fee, depreciation of equipment, service fee expenses as well as legal and professional fees. The year-on-year decrease in operating and administrative expenses was primarily due to the decrease in investment management fee.

Share of profits of associates and joint venture: A net profit of approximately HK$4.68 million (FY2020/21: HK$149.28 million), mainly represents our share of results of CSOP and Treasure Up. The decrease was due to the fact that CSOP's business growth for the Year, resulted in the payment of dividends of HK$46.73 million, which in turn a decrease in attributable revenue, and Treasure Up's value changed as a result of instable global economy which caused by the global outbreak of COVID-19 variants. But Treasure Up also declared and paid dividends of HK$14.92 million during the Year.

Other comprehensive income: Changes in the Group's net asset value, which are not accounted for in "profit for the year", are recorded under "other comprehensive income". The net other comprehensive income of HK$36.32 million (FY2020/21: HK$37.45 million), mainly represented the exchange differences on translating foreign operations. Including the "profit for the year", the total comprehensive income for the Year was HK$257.60 million.

DIVIDEND POLICY AND PROPOSED FINAL DIVIDEND

The Board has resolved not to pay any final dividend in respect of the Year (FY2020/21: nil).

LIQUIDITY AND FINANCIAL RESOURCES

The Group's major sources of revenue currently are dividend income from investments held, interest revenue from bank deposits and financial instruments held.

As at 31 March 2022, the Group had bank and cash balances of HK$86.40 million (31 March 2021: HK$66.61 million). The Group had an aggregate of HK$1,844.97 million (31 March 2021: HK$528.60 million) loans primarily comprised of loan from a shareholder as at 31 March 2022. The debt-to-equity ratio (interest-bearing external borrowings divided by shareholders' equity) stood at 32.01% (31 March 2021: 10.07%) while the debt ratio (total borrowings divided by total assets) was 24.79% (31 March 2021: 9.85%). The current ratio (current assets divided by current liabilities) was 1.19 times (31 March 2021: 3.65 times). For further analysis of the Group's cash position, current assets and gearing, please refer to paragraphs under subsections headed "Financial Position".

The Board believes that our operations and borrowing resources are sufficient to provide funding to satisfy our ongoing investment and working capital requirements for the foreseeable future.

CAPITAL STRUCTURE

As at 31 March 2022, Shareholders' Equity and the total number of shares in issue of the Company stood at HK$5.52824 billion (31 March 2021: HK$4.52718 billion) and 4,061,316,000 (31 March 2021: 2,900,940,000), respectively.

MATERIAL ACQUISITIONS AND DISPOSALS OF INVESTMENTS

	New/Additional Investment (HK$ million)	Divestment/ Disposal (HK$ million)
Private Equity	**314.67**(1)	**134.56**(2)
Portfolio Management		
— Listed securities	**52.45**(3)	**18.55**(4)
— Debt instruments	**595.66**	**953.74**
— Others	**1,567.51**(5)	**0.11**
Trading and others	**31.01**	**23.57**
Total	**2,561.30**	**1,130.53**

(1) HK$200.39 million is the Group's investment in Jiedaibao during the Year, the remaining are investment in new associates and joint venture totaling HK$31.61 million, and other private equity investment totaling HK$82.67 million.

(2) HK$134.56 million represents the Group's sale proceeds from the disposal of Xiaoju Kuaizhi Inc. during the Year.

(3) HK$52.45 million represents the Group's investment in 4 listed securities during the Year.

(4) HK$18.55 million represents the Group's divestment from 4 listed securities during the Year.

(5) Of the HK$1,567.51 million, HK$1.5 billion was invested in Ninth Eternity Asia Fund LP and Ninth Eternity Asia Fund II LP, the remaining HK$67.51 million represents investment in two funds.

SEGMENT INFORMATION

Segment information of the Group is set out in note 8 to consolidated financial statements.

EMPLOYEES

As of 31 March 2022, the Group had 32 employees (31 March 2021: 21), inclusive of all Directors of the Company and its subsidiaries. Total staff costs including equity-settled share-based payments for the Year amounted to HK$19.31 million (FY2020/21: HK$25.74 million). The Group's remuneration policies are in line with market practices and are determined on the basis of the performance and experience of individual employees.

SHARE OPTION SCHEME

During the Year, the Board did not grant any share option under the Company's share option scheme to any Directors or eligible employees of the Group and there were no granted share options exercised (FY2020/21: nil). As at 31 March 2022, there were 16,000,000 (31 March 2021: 65,700,000) share options that remained outstanding under the share option scheme.

The detailed disclosures relating to the Company's share option scheme and valuation of options are set out in note 36 to the consolidated financial statements.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

As at 31 March 2022, the Group was exposed to foreign exchange risk arising from financial instruments that are monetary items including investments recognized as investments at fair value through profit or loss, interest receivables, loan and other receivables, bank balances, borrowings and lease liabilities and other payables (31 March 2021: investments at fair value through profit or loss, loan and other receivables). These assets were denominated in RMB and the maximum exposure to foreign exchange risk was RMB1,178.34 million, equivalent to HK$1,450.30 million (31 March 2021: RMB499.94 million, equivalent to HK$591.50 million).

As at 31 March 2022, the Group held certain financial assets which were denominated in USD. The Board is of the opinion that the Group's exposure to USD foreign exchange risk is minimal as HKD is pegged to USD based on the Linked Exchange Rate System in Hong Kong.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2022, save as certain listed securities of the Group being used to secure the Group's margin securities trading and certain interests in associates and part of bank time deposit are pledged for the Group's bank loan, there were no charges on Group's assets.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THEIR EXPECTED SOURCES OF FUNDING

As at the date of this report, the Company plans to purchase certain guaranteed bonds issued by a company whose assets include shares in companies listed on major stock exchanges in China. The consideration of the purchase is expected to be approximately HK$850 million and the expected sources of funding will be bank borrowings and funds from other fundraising activities such as external borrowings and placing of new shares. The Company considers such new potential investment as part of its normal business, and therefore management may publically announce the plan as they become necessarily disclosable to shareholders.

Other than that, there were no plans for material investments or capital assets, but the Company may, at any point, be negotiating potential investments.

USE OF PROCEEDS FROM ISSUE OF EQUITY SECURITIES

The August 2021 Subscription

On 3 September 2021, the Company issued and allotted 580,188,000 ordinary new shares (the "September 2021 Subscription Shares") at a subscription price of HK$0.66 per share for a total cash consideration of approximately HK$382.9 million pursuant to the subscription agreements entered into with seven subscribers on 13 August 2021 (the "August 2021 Subscription"). To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of these seven subscribers was a third party independent of the Company and its connected persons (within the meaning of the Listing Rules). The aggregate nominal value of the September 2021 Subscription Shares were HK$58,018,800. The market value of the September 2021 Subscription Shares was approximately HK$423,537,240 based on the closing price of HK$0.73 per share as quoted on the Stock Exchange on the date of the subscription agreements.

The Directors considered that it was in the interests of the Company to raise capital from the equity market in order to maintain the cash flow position of the Group and to enhance the capital and shareholders' base of the Company for long-term development and further strengthen its financial position.

The net proceeds, after deduction of all relevant expenses incidental to the August 2021 Subscription, were approximately HK$382 million. The net price to the Company of each September 2021 Subscription Share was approximately HK$0.66 per share. The net proceeds from the August 2021 Subscription were used for the following purposes:

Net proceeds raised	Use of the net proceeds during the Year
HK$382 million	100% of net proceeds were used for investment, including: (i) approximately 13.73% was used for debt investments; and (ii) approximately 86.27% was used for a private equity investment in an investment holding company with the investment portfolio including debt investment and equity investment in various sectors, landed properties and other assets.

The October 2021 Subscription

On 25 November 2021, the Company issued and allotted 580,188,000 ordinary new shares (the "November 2021 Subscription Shares") at a subscription price of HK$0.62 per share for a total cash consideration of HK$359.71 million pursuant to the subscription agreements entered into with seven subscribers on 26 October 2021 (the "October 2021 Subscription"). To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of these seven subscribers was a third party independent of the Company and its connected persons (within the meaning of the Listing Rules). The aggregate nominal value of the November 2021 Subscription Shares were HK$58,018,800. The market value of the November 2021 Subscription Shares was approximately HK$429,339,120 based on the closing price of HK$0.74 per share as quoted on the Stock Exchange on the date of the subscription agreements.

It has been the investment policy of the Company to invest in companies with high-growth potential in order to create value for shareholders. In a versatile market, it is important that the Group has readily available funds to capture fleeting opportunities for premium investments. The Directors considered that it was in the interests of the Company to raise capital by way of equity financing in order to maintain the cash flow position of the Group for capturing suitable investment opportunities in a timely manner. The October 2021 Subscription will also enhance the capital and shareholders' base of the Company for long-term development and further strengthen its financial position.

The net proceeds, after deduction of all relevant expenses incidental to the October 2021 Subscription, were approximately HK$359 million. The net price to the Company of each November 2021 Subscription Share was approximately HK$0.62 per share. The net proceeds from the October 2021 Subscription were used for the following purposes:

Net proceeds raised	**Use of the net proceeds during the Year**
HK$359 million	100% of net proceeds were used for investment, including: (i) approximately 35.34% was used for debt investments; (ii) approximately 8.94% was used for private equity investment in an investment holding company with the investment portfolio including debt investment and equity investment in various sectors, landed properties and other assets; and (iii) approximately 55.72% was used as private equity investment of interests in fintech sector.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company or any of its subsidiaries has not purchased, sold or redeemed any of the Company's securities during the Year.

EVENTS AFTER THE REPORTING YEAR

On 30 May 2022, the Company issued and allotted 1,521,739,130 ordinary new shares (the "Capitalisation Shares") to Dr. Liu Zhiwei at an issue price of HK$0.92 per share pursuant to a loan capitalisation agreement dated 31 December 2021 entered into between the Company and Chunda International Capital Management Co., Ltd ("Chunda"). The aggregate consideration for the allotment and issue of the Capitalisation Shares of HK$1,400 million was settled by way of set off against HK$1,400 million ("Capitalised Amount") out of the outstanding principal amount of an unsecured loan bearing an interest rate of 2.5% per annum and amounting to HK$1,500 million (the "Shareholder Loan") granted to the Company by Chunda on 10 December 2021 (the "Loan Capitalisation"). The nominal value of the Capitalisation Shares (with a par value of HK$0.1 each) is HK$152,173,913. The market price of the Capitalisation Shares on 31 December 2021, being the date on which the terms of the issue of Capitalisation Shares were fixed, was HK$0.8 per Share.

An aggregate of 1,630,434,783 ordinary new shares (the "May 2022 Subscription Shares") were issued and allotted, as to 978,260,870 shares to Bright Victory International Limited ("Bright Victory") and 652,173,913 shares to Mr. Wang Delian ("Mr. Wang"), on 30 May 2022 at a subscription price of HK$0.92 per share for a total cash consideration of HK$1,500 million pursuant to the subscription agreements entered into with Bright Victory and Mr. Wang on 31 December 2021. The aggregated nominal value of the May 2022 Subscription Shares (with a par value of HK$0.1 each) is HK$163,043,478.3. The market price of each of the May 2022 Subscription Shares was HK$0.8 per share based on the closing price of HK$0.8 per share as quoted on the Stock Exchange on the date of the subscription agreements. The aggregate net proceeds of the May 2022 Subscription Shares, after the deduction of all relevant fees and expenses, was approximately HK$1,499 million, representing a net subscription price of approximately HK$0.92 per share.

The Company considered that the Loan Capitalisation was conducive to strengthening the financial position of the Group and beneficial to the Company and its shareholders as a whole as it allowed the Company to settle substantial portion of the Shareholder Loan, without utilising the existing financial resources of the Group which could in lieu be retained for other suitable investment opportunities with positive return prospect. In addition, upon completion of the Loan Capitalisation, the Company would no longer be liable for payment of the accrued interest expenses attributable to the Capitalised Amount and thus, achieve cost-saving favourable to the Company and the shareholders as whole. The Loan Capitalisation could also immediately reduce the gearing ratio of the Group and hence improve its financial position.

With respect to the issue of May 2022 Subscription Shares, it was considered that fundraising by way of issue of May 2022 Subscription Shares could provide the Company with a definite amount of share capital and strengthen the Group's financial position. The use of proceeds from the issue of May 2022 Subscription Shares was consistent with the investment strategy of the Group which could enrich the investment portfolio. Bright Victory, who is also a substantial shareholder of the Company, is intended to be a long-term strategic partner to the Company with continued capital support to fund the investment plans of the Group, bringing strategic value to the Company. It also shows the confidence and support of Bright Victory as a substantial shareholder of the Company towards the long-term development of the Group. Mr. Wang has more than 10 years of investment experience in private equity investment and securities investment and has extensively participated in investment in mainland China and overseas markets, and he also focuses on art business markets. It is considered that the introduction of Mr. Wang as a shareholder of the Company will enable the Company to leverage Mr. Wang's connection in the market with high-quality investors.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of Directors and senior management are stated below:

DIRECTOR

Executive Director

Dr. LIU Zhiwei, aged 55, has been appointed as Chairman of the Board and the Chairman of the Nomination Committee since 16 December 2020, and an executive Director of the Company since 16 April 2019. From 16 April 2019 to 16 December 2020 and from 29 December 2021 to 14 March 2022, he was the Chief Executive Officer of the Company. From June 2016 to June 2018, he was an executive Director, the president of the Company, and a member of the corporate governance committee. From December 2015 to June 2016, he served as a non-executive director of the Company. Dr. Liu obtained a bachelor's degree in Industrial Management Engineering from Zhe Jiang University in 1989. He furthered his studies in Graduate School of the People's Bank of China between 1989 and 1992 and obtained his master's degree in international finance. In 2007, he obtained a doctoral degree in Economics & Law from Hunan University. Dr. Liu completed a professional programme in Finance CEO from Cheung Kong Graduate School of Business in 2010. Dr. Liu has over 20 years of experience in financing, securities investment and capital market. He served as a non-executive director of Shanghai Zendai Property Limited (stock code: 755), whose shares are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") for the period from 2 February 2010 to 12 December 2012. He was the vice chairman of Chang'an International Trust Co., Ltd (formerly known as Xi'an International Trust Co., Ltd) from 2008 to 2011. Dr. Liu served as a supervisor of Xin Jiang Hui-tong (Group) Co., Ltd (stock code: 415) from December 2005 to December 2008, whose shares are listed on the Shenzhen Stock Exchange. He also served as a general manager of the merger and acquisition department of Guosen Securities Co., Ltd from 1997 to 1998. Currently, Dr. Liu also serves as the director of several subsidiaries of the Company.

Non-executive Directors

Dr. FU Weigang, aged 44, was appointed as a non-executive Director on 29 June 2018. Dr. Fu was re-designated from a non-executive Director to an independent non-executive Director from 15 July 2019 to 10 October 2021, and re-designated from an independent non-executive Director to a non-executive Director since 11 October 2021. Dr. Fu obtained a bachelor of Law degree from Xi'an University of Technology in 2000 and a PhD degree from Zhejiang University in 2009. Dr. Fu is currently the president of the Sifl Institute. Dr. Fu has served in the Sifl Institute since 2003 in various positions including Assistant President and Vice President. Additionally, he is an adjunct professor at Shanghai University of Finance and Economics (SHUFE), Shanghai Normal University and other universities. Besides this, he served as an independent director of Changan Fund Management Co., Ltd., Shanghai Shifang Landscape and Ecology Co., Ltd. and Kingnet Network Co., Ltd.

Dr. WANG Shibin, aged 44, has been appointed as a non-executive Director since 11 October 2021. Dr. Wang obtained a Bachelor's degree in International Trade from Dongbei University of Finance and Economics in 2000, a Master's degree in Economics from the Graduate School of the People's Bank of China in 2004, and a PhD degree from the PBC School of Finance (PBCSF), Tsinghua University in 2010. Dr. Wang has nearly 20 years' experience in international finance and investment banking. He served as a foreign currency trader at China Development Bank from 2004 to 2008 and the vice president in the Fixed Income Rates and Derivatives Department of Goldman Sachs Asia from 2008 to 2010. Dr. Wang was appointed as the executive director of Deutsche Bank, Greater China region, from 2010 to 2015. Dr. Wang served as the managing director as well as chief marketing officer of the Company from 2015 to 2017. Currently, Dr. Wang is the co-founder and chief operation officer of Hong Kong Digital Asset Ex Limited.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Mr. CHEN Yuming, aged 59, has been re-designated from a non-executive Director to an independent non-executive Director since 15 July 2019. He has been appointed as the chairman of the audit Committee, a member of the remuneration committee, a member of the nomination committee and a member of the corporate governance committee since 23 October 2019. Mr. Chen obtained a bachelor degree and a master degree from Jiangxi University of Finance and Economics in 1983 and 1999 respectively. He also obtained an EMBA from Cheung Kong Graduate School of Business in 2010. Mr. Chen has more than 30 years of experience in banking, securities, fund management and auditing. He is currently Chairman of Shenzhen Leaguer Financial Holdings Company Limited, Chairman of Shanghai Leaguer Financial Leasing Co., Ltd.. Prior to that, Mr. Chen had served in Bank of East Asia (China) Co., Ltd. from 2007 to 2011 in various positions including President of its Shenzhen Branch and Vice President of its head office. From 1999 to 2006, Mr. Chen had worked in the Shenzhen Commercial Bank, where he had first served as Vice President, and later as President and Vice Chairman. From 1993 to 1998, Mr. Chen had held various positions in the head office of Shenzhen Urban Cooperative Bank, including Assistant to President, General Manager of Credit Department and Director of Business Department. He had served as Deputy Director of Jiangsu Provincial Auditing Department from 1989 to 1992. He had also served as Deputy Director and Division Chief of Jiangxi Provincial Auditing Department from 1983 to 1989.

Mr. YAN Xiaotian, aged 62, has been appointed as an independent non-executive Director, chairman of Corporate Governance Committee and member of Audit Committee, Remuneration Committee and Nomination Committee since 22 April 2022. Mr. Yan obtained his master degree in economics from Graduate School of the Financial Research Institute of the People's Bank of China in 1986 (now known as PBC School of Finance, Tsinghua University) and is a senior economist. Mr. Yan has extensive experience in economic, financing and management. Mr. Yan served as the president of the head office of Bank of China Limited, the vice president of the Guangzhou branch of CITIC Bank Corporation Limited (formerly known as CITIC Industrial Bank Limited), the general manager of CITIC Securities Co., Ltd. (Guangzhou), and a director and an executive president of South China International Leasing Co., Ltd. Mr. Yan is currently an independent non-executive director of ISP Global Limited, a company which shares are listed on GEM of the Stock Exchange (stock code: 8487) and an independent director of Dagang Holding Group Ltd., a company which shares are listed on the Shenzhen Stock Exchange (stock code: 300103.SZ). Mr. Yan previously served as an executive director of China Youzan Limited (formerly known as China Innovationpay Group Limited, a company which shares are listed on GEM of the Stock Exchange (stock code: 8083)), and, an independent non-executive director of both Renaissance Asia Silk Road Group Ltd (formerly known as China Billion Resources Limited) (stock code: 274) and Prosperity International Holdings (H.K.) Limited (stock code: 803), companies which shares are listed on the Main Board of the Stock Exchange.

Mr. ZHAO Kai, aged 54, has been appointed as an independent non-executive Director, chairman of Remuneration Committee and member of Audit Committee, Nomination Committee and Corporate Governance Committee since 22 April 2022. Mr. Zhao obtained his Bachelor degree in Monetary Banking from Southwestern University of Finance and Economics in 1989, and a Master degree in International Finance from the Graduate School of the People's Bank of China in 1992. Mr. Zhao previously served as the general manager of Guangzhou Business Department (from 2000 to 2005) and Beijing Business Department (from 2005 to 2011) of Southwest Securities Company Ltd. From 2012, Mr. Zhao became the deputy general manager of the Institutional Client Department, Southwest Securities Company Ltd..

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Dr. QIAO Bingya, aged 51, was appointed as Chief Executive Officer of the Company in March 2022. Dr. Qiao obtained a Bachelor degree in Economics from Renmin University of China in 1993, a Master degree in Economics from Graduate School of the Financial Research Institute of the People's Bank of China in 1996 and a Doctor of Philosophy in Economics from Renmin University of China in 2001. Dr. Qiao has years of experiences in securities regulation and inspection. Prior to joining the Company, Dr. Qiao held a number of senior management positions at the China Securities Regulatory Commission from year 1998 to year 2012 and he also served as an assistant executive president and a member of the executive committee at Bank of China Investment Management Co., Ltd from year 2012 to year 2016. From June 2019 to September 2021, Dr. Qiao served as an executive director of Renaissance Asia Silk Road Group Limited (formerly China Billion Resources Limited), a company listed on the Stock Exchange. Currently, Dr. Qiao also serves as the director of a subsidiary of the Company.

Mr. MEI Bing, aged 57, was appointed as Chief Financial Officer of the Company since January 2019. Mr. Mei is a seasoned financial executive with a distinguished career of more than 20 years of successful financial management experience in the U.S. and China. From 2016 through joining the Company, he served as Chief Financial Officer and Board Director of Kandi Technology, a NASDAQ listed leading new energy vehicle manufacturer in China. From 2011 through 2016, he served as Chief Financial Officer and Board Secretary of Skystar Bio-Pharmaceutical Company, a NASDAQ Listed biotechnology company in China. From 2015 through 2016, he also served as an independent non-executive Board Director and Chairman of the Audit Committee of Jiangsu PharmaMax Corporation. From 2006 through 2011, Mr. Mei served as Chief Financial Officer of Avineon, Inc., a multinational technology company in the U.S., where he managed its global financial operations in North America, Asia and Europe. Prior to that, he served as Financial Controller of Arrowhead Global Solutions, Inc. (now part of Harris Corporation) and Thompson Hospitality Corporation, a member of the Compass Group family of companies, in the U.S. Mr. Mei received a B.S. degree in Economics from Zhejiang University in Hangzhou, China and holds an M.B.A. degree from The Fuqua School of Business at Duke University in the U.S., where he graduated with distinction as a Fuqua Scholar. He is a Certified Public Accountant (CPA) in the U.S. and Hong Kong, a Certified Management Accountant (CMA) in the U.S., and a Chartered Global Management Accountant (CGMA). Currently, Mr. Mei also serves as the director of several subsidiaries of the Company.

Ms. Li Xining, aged 31, joined the Company in November 2019 and has been the Managing Director of the capital market department of the Company since June 2021, and is responsible for the capital market and private equity investment businesses. Currently, Ms. Li also serves as the director of several subsidiaries of the Company.

Ms. Li has over seven years of related experience in capital investment, compliance management. From July 2015 to July 2019, she worked at the Anti-Money Laundering Center of the People's Bank of China and has extensive experience in anti-money laundering matters. Since December 2020, Ms. Li serves as the director of Bestone Capital Limited and is responsible for managing the acquisition of licensed corporations and completing internal monitoring in accordance with the compliance requirements of Securities and Futures Commission. Moreover, since August 2021, Ms. Li also serves as the director of Guotai Junan Fund Management Limited.

Ms. Li obtained a bachelor's degree in economics from Tsinghua University in 2013, and subsequently obtained a master's degree in finance from the PBC School of Finance of Tsinghua University in 2015.

DIRECTORS' REPORT

The directors ("Directors") of Wealthking Investments Limited (the "Company", together with its subsidiaries, collectively referred to as the "Group") are pleased to present their annual report together with the audited consolidated financial statements for the year ended 31 March 2022 (the "Year").

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment company incorporated with limited liability as an exempted company in the Cayman Islands on 26 July 2002. The principal investment objective is to achieve earnings for the Company in the form of medium to long term capital appreciation through investing in a diversified portfolio of global investments in listed and unlisted enterprises. The activities of its subsidiaries are set out in the section headed "18. Subsidiaries" under Notes to the Consolidated Financial Statements.

SEGMENT INFORMATION

Segment information of the Group is set out in the section headed "8. Segment Information" under Notes to the Consolidated Financial Statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The Directors do not recommend the payment of a dividend.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the Year are set out in the Consolidated Statement of Changes in Equity and the section headed "34. Reserves" under Notes to the Consolidated Financial Statements respectively.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in the section headed "32. Share Capital" under Notes to the Consolidated Financial Statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 March 2022 amounted to HK$4,860,424,000.

PRE-EMPTIVE RIGHTS

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

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out in Financial Summary.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Cap. 622, laws of Hong Kong) when this report prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance.

SHARE OPTIONS

Information about the share options of the Company during the Year is set out in the section headed "36. Share-based Payments" under Notes to the Consolidated Financial Statements.

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Director

Dr. LIU Zhiwei

Non-executive Directors

Dr. FU Weigang (re-designated from independent non-executive Director ("NED") on 11 October 2021)
Dr. WANG Shibin (appointed on 11 October 2021)

Independent Non-executive Directors

Prof. HE Jia (resigned on 22 April 2022)
Mr. WANG Xiaojun (resigned on 22 April 2022)
Mr. CHEN Yuming
Mr. YAN Xiaotian (appointed on 22 April 2022)
Mr. ZHAO Kai (appointed on 22 April 2022)

Dr. Fu Weigang has been re-designated from independent non-executive Director ("INED") to NED since 11 October 2021. Dr. Wang Shibin was appointed as NED on 11 October 2021 and he is entitled to an annual remuneration of HK$250,000.

Prof. He Jia resigned on 22 April 2022 as INED, chairman of Corporate Governance Committee and member of Audit Committee, Remuneration Committee and Nomination Committee. Mr. Wang Xiaojun resigned on 22 April 2022 as INED, chairman of Remuneration Committee and member of Audit Committee, Nomination Committee and Corporate Governance Committee. Both Prof. He and Mr. Wang confirmed that they had no disagreement with the Board and that there was no matter relating to their resignation that needed to be brought to the attention of the Shareholders and The Stock Exchange of Hong Kong Limited ("Stock Exchange").

Mr. Yan Xiaotian was appointed on 22 April 2022 as INED, chairman of Corporate Governance Committee and member of Audit Committee, Remuneration Committee and Nomination Committee. Mr. Zhao Kai was appointed on 22 April 2022 as INED, chairman of Remuneration Committee and member of Audit Committee, Nomination Committee and Corporate Governance Committee. Mr. Yan and Mr. Zhao are each entitled to an annual remuneration of HK$250,000.

Dr. Liu Zhiwei, Dr. Wang Shibin, Mr. Yan Xiaotian and Mr. Zhao Kai will retire from office at the forthcoming annual general meeting in accordance with Article 106 and Article 113 of the Company's Articles of Association. All of them, being eligible, offer themselves for re-election.

DIRECTORS' REPORT

DIRECTORS (Continued)

Independent Non-executive Directors (Continued)

The Company confirms that it has received from each of the INEDs an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers the INEDs are independent. The reasons are given in the "Corporate Governance Report" to this report.

Biographical details of the Directors as at the date of this annual report are set out in the "Biographical Details of Directors and Senior Management" to this report.

DIRECTORS' SERVICE CONTRACTS

Each of the Directors either has entered into a service contract for a specific term with the Company or was appointed for a specific term, any of which is not more than three years. All of the Directors are subject to retirement by rotation in accordance with the Articles. No director offering for re-election at the forthcoming annual general meeting has entered into a service contract with the Company which is not terminable by the Company within one year without payment of compensation other than the normal statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the paragraph headed "Connected transactions" in this report and in the sections headed "Accounts and Loans Receivables" and "Related Party Transactions" under Notes to the Consolidated Financial Statements. No other contracts of significance in relation to the Group's business to which the Company, any of its subsidiaries or its fellow subsidiaries was a party and in which any Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 March 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions and/or short position in shares and underlying shares of the Company:

(L) denotes Long position.

		Number of ordinary shares/underlying shares held in the Company		
Name of director	**Nature of Interests**	**Interests in shares**	**Interests under equity derivatives**	**As to % to the capital of the Company as at 31 March 2022** (note 1)
Dr. LIU Zhiwei	Beneficial owner and interest of controlled corporation	431,066,000 (L)	–	10.61%

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS (Continued)

Note:

(1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 4,061,316,000 shares as at 31 March 2022.

Save as disclosed above, as at 31 March 2022, none of the Directors or chief executive of the Company had any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2022, so far as the Directors or Chief Executive of the Company are aware, the following corporation and persons other than a Director or the chief executive of the Company had an interest or a short position in the Shares and underlying Shares, which were required to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Long positions and/or short position in shares and underlying shares of the Company:

(L) denotes long position.
(S) denotes short position.

	Number of ordinary shares/underlying shares held in the Company			
Name of shareholders	**Capacity in which interest are held**	**Interests in shares**	**Interests under equity derivatives**	**As to % to the capital of the Company as at 31 March 2022** (note 1)
WU Gang (note 2)	Interest of controlled corporation	464,000,000 (L)	–	11.42%
TJHCL (note 2)	Interest of controlled corporation	464,000,000 (L)	–	11.42%
TIMGCL (note 2)	Interest of controlled corporation	464,000,000 (L)	–	11.42%
TCHL (note 2)	Interest of controlled corporation	464,000,000 (L)	–	11.42%
Bright Victory (note 2)	Beneficial owner	464,000,000 (L)	–	11.42%
OPFGL (note 3)	Interest of controlled corporation	359,800,000 (L)	–	8.86%
Zhang Gaobo (note 3)	Interest of controlled corporation	359,800,000 (L)	–	8.86%
Zhang Zhi Ping (note 3)	Interest of controlled corporation	359,800,000 (L)	–	8.86%
HE Zhiping (note 4)	Interest of controlled corporation	287,000,000 (L)	–	7.07%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

		Number of ordinary shares/underlying shares held in the Company		
Name of shareholders	**Capacity in which interest are held**	**Interests in shares**	**Interests under equity derivatives**	**As to % to the capital of the Company as at 31 March 2022** (note 1)
WAH HING GLOBAL INVESTMENT LIMITED (note 4)	Beneficial owner	287,000,000 (L)	–	7.07%
FU Jiangping (note 5)	Interest of controlled corporation	269,908,000 (L)	–	6.64%
Full House Investment Limited (note 5)	Beneficial owner	269,908,000 (L)	–	6.64%

Notes:

(1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 4,061,316,000 shares as at 31 March 2022.

(2) This represented 464,000,000 shares held by Bright Victory. Bright Victory is a wholly owned subsidiary of Tong Chuang Holdings Limited ("TCHL"). TCHL is in turn a wholly subsidiary of Tongchuangjiuding Investment Management Group Co., Ltd. ("TIMGCL") while 46.29% of the issued share capital of TIMGCL is owned by Tongchuang Jiuding Investment Holdings Co. Ltd. ("TJIHCL"). 35.00% of the issued share capital of TJIHCL is beneficially owned by Mr. Wu Gang. By virtue of the SFO, each of TJIHCL, TIMGCL, TCHL and Mr. Wu Gang is deemed to be interested in the shares and underlying shares of the Company held by Bright Victory.

(3) This represented an aggregate of 330,000,000 shares held by Ottness Investment Limited ("Ottness") and 29,800,000 shares held by Oriental Patron Financial Services Group Limited ("OPFSGL"). Ottness is a wholly owned subsidiary of Oriental Patron Financial Group Limited ("OPFGL"), while 95% of the issued share capital of OPFSGL is owned by OPFGL. The issued share capital of OPFGL is beneficially owned as to 51% by Mr. Zhang Zhi Ping and 49% by Mr. Zhang Gaobo. By virtue of the SFO, each of Mr. Zhang Zhi Ping and Mr. Zhang Gaobo is deemed to be interested in the shares and underlying shares of the Company held by Ottness and OPFSGL.

(4) This represented 287,000,000 shares held by Wah Hing Global Investment Limited ("Wah Hing"). Mr. He Zhiping owns 100% of the issued share capital in Wah Hing. By virtue of the SFO, Mr. He Zhiping is deemed to be interested in the shares held by Wah Hing.

(5) This represented 269,908,000 shares held by Full House Investment Limited ("Full House"). Mr. Fu Jianping owns 100% of the issued share capital in Full House. By virtue of the SFO, Mr. Fu Jianping is deemed to be interested in the shares held by Full House.

Save as disclosed above, as at 31 March 2022, the Company has not been notified by any other persons, not being a Director or chief executive of the Company, who has interests or short positions in the shares and underlying shares of the Company representing 5% or more of the Company's issued share capital.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Apart from the share option scheme disclosed under Notes to the Consolidated Financial Statements, at no time during the Year was the Company, any of its subsidiaries or its associated corporations a party to any arrangements to enable the Directors or chief executive of the Company to acquire any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations.

EMOLUMENT POLICY

The emoluments of the Directors of the Company are subject to review and recommendation to the Board by the Remuneration Committee and then fixed by the Board with the authorization of the Shareholders at a general meeting.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this report, there is a public float of more than 25% of the issued capital of the Company.

MANAGEMENT CONTRACTS

Save as disclosed in the paragraph below the Investment Management Agreement and the section headed "40. Related Party Transactions" under Notes to the Consolidated Financial Statements and employment contracts, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

ISSUE OF UNLISTED WARRANTS PURSUANT TO SPECIFIC MANDATE

On 13 January 2017, the Company entered into a consultancy agreement ("Consultancy Agreement") with Magopt Ltd (the "Consultant") for its assistance on acquiring and capturing investment opportunities in the negotiation for achieving better investment terms and gains. The Company has agreed to conditionally issue and the Consultant has agreed to subscribe for 202,553,560 unlisted warrants at zero issue price, carrying the right to subscribe for an aggregate of 202,553,560 shares of the Company ("Shares") at a subscription price of HK$2.20 per Share. The Consultancy Agreement expired on 31 March 2022, being the date of expiry of the fifth full financial year since the date of the Consultancy Agreement.

Please refer to the section headed "41. Issue of Unlisted Warrants" under Notes to the Consolidated Financial Statements. The full version of the transaction details are set out in the Company's announcements dated 13 January 2017, 1 March 2017, 13 March 2017 and 30 March 2017, and the Company's circular dated 13 March 2017.

CONNECTED TRANSACTIONS

During the Year, the Company had the following connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions of the Group in accordance with paragraph 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to The Stock Exchange.

The Company's INEDs have reviewed the continuing connected transactions and confirmed that all continuing connected transactions have been entered into:

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

(2) on normal commercial terms or better; and

(3) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

CONNECTED TRANSACTIONS (Continued)

(a) Continuing connected transactions exempt from the circular (including independent financial advice) and shareholders' approval requirements

Investment Management Agreement

Pursuant to the investment management agreement dated 8 April 2021 (the "Investment Management Agreement"), the Company appointed Bestone Capital Limited (formerly known as Venture Partners Asset Management Limited) ("Bestone") as its investment manager to provide investment management services for a period commencing on 7 April 2021 to 31 March 2024. Under the Investment Management Agreement, the Company will pay Bestone a management fee and performance fee. For the first year of the Investment Management Agreement, the management fee was calculated at 0.012% per annum of the Net Asset Value as at the immediately preceding last dealing day on the Stock Exchange in each calendar month on the basis of the actual number of days in the relevant calendar month over a year of 360 days. From the second year of the Investment Management Agreement, the management fee shall be calculated at such other percentage figure agreed from time to time between Bestone and the Company as at the immediately preceding last dealing day on the Stock Exchange in each calendar month on the basis of the actual number of days in the relevant calendar month over a year of 360 days. The performance fee shall be calculated by reference to the increase in the Net Asset Value per Share as at the last business day of the relevant financial year of the Company. During the Year, the management fee paid/payable by the Company under the Investment Management Agreement to Bestone was HK$668,000 (2021: nil).

Bestone is regarded as a connected person of the Company (i) by virtue of Rule 14A.08 of the Listing Rules because it is the investment manager of the Company; and (ii) by virtue of Rule 14A.07 of the Listing Rules because Bestone is an associate of Dr. Liu Zhiwei, an executive director and substantial shareholder of the Company. The Investment Management Agreement constitutes a continuing connected transaction of the Company.

Second Supplemental Service Agreement

On 24 June 2021, the Company and FCSSCL entered into a second supplemental service agreement (the "Second Supplemental Service Agreement") to amend the scope of services under the Service Agreement (details see disclosure relating to "Service Agreement") and the fee schedule. The initial expansion cost, service fees for the first, second and third years were revised to HK$2,600,000, HK$1,600,000, HK$3,900,000 and HK$1,875,000 respectively.

FCSSC is owned as to 50% by Mr. Zhang Zhi Ping and Mr. Zhang Zhi Ping was an executive Director of the Company in the last 12 months during the Year. Therefore, FCSSC is an associate of Mr. Zhang Zhi Ping and a connected person of the Group under the Listing Rules. The Service Agreement constitutes a continuing connected transaction fully exempt from the requirements under Chapter 14A of the Listing Rules. Mr. Zhang Gaobo served as the Vice-President of FCSSC and also served as the Chairman of the Board of the Company in the last 12 months during the Year. As all of the applicable percentage ratios (other than the profits ratio) with reference to the largest annual cap of the Second Supplemental Service Agreement are less than 5%, the Second Supplemental Service Agreement is exempted from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS (Continued)

(b) Fully exempt continuing connected transactions

Service Agreement

On 29 July 2019, the Company entered into a service agreement (the "Service Agreement") with Finance Center for South-South Cooperation Limited ("FCSSC"), pursuant to which FCSSC has agreed to provide a number of services to the Company with a term of three years from 30 July 2019, and the principal and interest of HK$9,975,000 payable by FCSSC under the Promissory Note (details see disclosure relating to "Promissory Note") shall be used to fully set off against the service fee of HK$9,975,000 payable by the Company to FCSSC on one-off basis, and the Company shall have no further obligation to pay any expenses.

Due to social movements in Hong Kong in 2019 and the outbreak of COVID-19 pandemic in 2020, FCSSC was unable to render certain services under the Service Agreement during the period from 30 July 2019 to 29 July 2020. On 17 November 2020, the Company and FCSSC entered into a supplemental service agreement allowing FCSSC to delay the delivery of certain services under the Service Agreement.

FCSSC is owned as to 50% by Mr. Zhang Zhi Ping and Mr. Zhang Zhi Ping was an executive Director of the Company in the last 12 months during the Year. Therefore, FCSSC is an associate of Mr. Zhang Zhi Ping and a connected person of the Group under the Listing Rules. The Service Agreement constitutes a continuing connected transaction fully exempt from the requirements under Chapter 14A of the Listing Rules. Mr. Zhang Gaobo served as the Vice-President of FCSSC and also served as the Chairman of the Board of the Company in the last 12 months during the Year. As all of the applicable percentage ratios (other than the profits ratio) with reference to the largest annual cap of the Service Agreement are less than 0.1%, the Service Agreement is fully exempted from the requirements under Chapter 14A of the Listing Rules.

(c) Non-exempt connected transactions

Loan Capitalisation Agreement

On 31 December 2021, the Company entered into the loan capitalisation agreement (the "Loan Capitalisation Agreement") with Chunda International Capital Management Co., Ltd ("Chunda"). Pursuant to the Loan Capitalisation Agreement, the Company agreed to allot and Chunda agreed to subscribe 1,521,739,130 Shares at the price of HK$0.92 per Share. Completion of the Loan Capitalisation Agreement took place on 30 May 2022 and the aggregate consideration for the allotment and issue of 1,521,739,130 Shares at the price of HK$0.92 per Share which amounted to HK$1,400 million was settled by way of set off against a portion of the loan granted to the Company by Chunda on 10 December 2021 (details see disclosure relating to "Shareholder Loan Agreement").

Dr. Liu Zhiwei is a director and ultimate beneficial owner of Chunda and also an executive Director of the Company. Therefore, Chunda is an associate of Dr. Liu Zhiwei and a connected person of the Group under the Listing Rules. The allotment and issue of 1,521,739,130 Shares to Chunda (as a connected person) pursuant to the Loan Capitalisation Agreement constituted a connected transaction.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS (Continued)

(c) Non-exempt connected transactions (Continued)

Subscription Agreement

On 31 December 2021, the Company entered into the subscription agreement (the "Subscription Agreement") with Bright Victory International Limited ("Bright Victory"). Pursuant to the Subscription Agreement, the Company agreed to allot and Bright Victory agreed to subscribe 978,260,870 Shares at the price of HK$0.92 per Share. Completion of the Subscription Agreement took place on 30 May 2022 and the gross proceeds received by the Company in respect of the Subscription Agreement amounted to approximately HK$900 million.

Bright Victory, being a substantial shareholder of the Company directly holding 464,000,000 Shares at the time when the Subscription Agreement was entered into representing approximately 11.42% of the then issued share capital of the Company, is regarded as a connected person of the Company by virtue of Rule 14A.07(1) of the Listing Rules. The Subscription Agreement constitutes a connected transaction of the Company.

(d) Connected transactions exempt from the circular (including independent financial advice) and shareholders' approval requirements

Promissory Note

The Company entered into the Subscription Agreement with FCSSC on 20 June 2016 and subscribed for the Promissory Note (the "Promissory Note") issued by FCSSC in the principal amount of HK$9,500,000 in cash for a total consideration of HK$9,500,000. Pursuant to the Promissory Note, FCSSC shall pay the total principal and interest of HK$9,975,000 to the Company on the maturity date of the Promissory Note, being 21 June 2019. The Company entered into the Service Agreement (details are set out in the section of "Service Agreement") with FCSSC on 29 July 2019, pursuant to which the principal and interest of HK$9,975,000 payable by FCSSC under the Promissory Note shall be used to fully set off against the total service fee of HK$9,975,000 payable of by the Company to FCSSC on one-off basis, and the Company shall have no further obligation to pay any expenses. Prepaid service fee of approximately HK$3,195,000 (2021: HK$3,388,000) is amortized in proportion to services rendered by FCSSC during the Year.

FCSSC is owned as to 50% by Mr. Zhang Zhi Ping, who was an executive Director of the Company in the last 12 months during the Year. Therefore, FCSSC is an associate of Mr. Zhang Zhi Ping and a connected person of the Group under the Listing Rules. Further, Mr. Zhang Gaobo served as the Vice-President of FCSSC and also served as the Chairman of the Board of the Company in the last 12 months during the Year. As all of the applicable percentage ratios (other than the profits ratio) with reference to the principal and interest payable under the Promissory Notes offsetting service fee are less than 5%, this transaction is exempted from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS (Continued)

(e) Fully exempt connected transactions

Shareholder Loan Agreement

On 10 December 2021, the Company and Chunda entered into the shareholder loan agreement (the "Shareholder Loan Agreement") pursuant to which Chunda granted loans of principal amount of HK$1,500 million (the "Shareholder Loan") to the Company for a period of one year commencing from the date of the receipt of the Shareholder Loan by the Company at an interest rate of 2.5% per annum.

Dr. Liu Zhiwei is a director and ultimate beneficial owner of Chunda and also an executive Director of the Company. Therefore, Chunda is an associate of Dr. Liu Zhiwei and a connected person of the Group under the Listing Rules. The Shareholder Loan received by the Company from Chunda (as a connected person) under the Shareholder Loan Agreement constituted a connected transaction but was fully exempted under Rule 14A.90 of the Listing Rules, for the reasons that (1) the terms of the Shareholder Loan Agreement (including the interest rate) were on normal commercial terms or better and (2) the Shareholder Loan was not secured by the assets of the Group.

Securities Brokerage Commission

During the Year, the Company placed orders for buying shares in listed companies through its securities trading account maintained with Oriental Patron Securities Limited ("OPSL") and a brokerage commission ranged from 0.15% to 3.12% was charged by OPSL for each transaction ("Transaction") proceeds. In addition, the Company also appointed OPSL to provide custodian services during the Year. The total brokerage fee and custodian fee paid by the Company to OPSL for the Year amounted to HK$29,000 (2021: HK$206,000).

OPSL is a connected person of the Company because it is an associate of OPFGL, a substantial shareholder of the Company under Chapter 14A of the Listing Rules during the Year. OPSL is also regarded as a connected person of the Company by virtue of Rule 14A.08 of the Listing Rules. As all of the applicable percentage ratios (other than the profits ratio) with reference to the total brokerage fee and custodian fee paid by the Company to OPSL for the Year are less than 0.1%, this Transaction is fully exempted from the requirements under Chapter 14A of the Listing Rules.

Fee Payable to RFAL

Rich Fortune Allied Limited ("RFAL") has paid HK$391,000 as part of the office rent, building management fee and government rates on behalf of the Company. Therefore, there is a fee of the same amount payable to RFAL by the Company in this regard during the Year.

Dr. Liu Zhiwei is a director and ultimate beneficial owner of RFAL and also an executive Director of the Company. Therefore, RFAL is an associate of Dr. Liu Zhiwei and a connected person of the Group under the Listing Rules. As all of the applicable percentage ratios (other than the profits ratio) with reference to the fee payable to RFAL by the Company in the Year are less than 0.1%, this transaction is fully exempted from the requirements under Chapter 14A of the Listing Rules.

All of the connected transactions entered by the Group above have complied with the applicable disclosure requirements in accordance with Chapter 14A of the Listing Rules.

DIRECTORS' REPORT

BUSINESS REVIEW

Fair review of the Company's business and likely future development

Please refer to the section headed "Investment Review" under Management Discussion and Analysis.

Principal risks and uncertainties

Please refer to the section headed "5. Financial Risk Management" under Notes to the Consolidated Financial Statements.

Important events after the end of the financial year

Please refer to the section headed "Events after the Reporting Year" under Management Discussion and Analysis.

Environmental protection

Please refer to the section headed "Environmental Sustainability" under the Environmental, Social and Governance Report.

Compliance with laws and regulations

Please refer to the Subsections headed "Employment and Labour Practices", "Operating Practices" and "Anti-Corruption" under the Environmental, Social and Governance Report.

Operating policies

Please refer to the section headed "Operating Practices" under the Environmental, Social and Governance Report.

Company's key relationships with its employees

Please refer to the section headed "Employment and Labour Practices" under the Environmental, Social and Governance Report.

Community investment

Please refer to the section headed "Community Investment" under the Environmental, Social and Governance Report.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Group are set out in the sections headed "11. Profit for the Year" and "12. Directors' Emoluments and Five Highest Paid Employees" under Notes to the Consolidated Financial Statements.

AUDIT COMMITTEE

The Company established an audit committee in accordance with Rule 3.21 of the Listing Rules. Amongst other duties, the principal duties of the audit committee are to review the interim and annual results and internal control system of the Company.

The Company's audit committee comprised three INEDs, namely, Mr. Chen Yuming, Mr. Yan Xiaotian and Mr. Zhao Kai. Mr. Chen Yuming is the chairman of the audit committee.

The audited consolidated financial statements for the Year have been reviewed by the audit committee.

AUDITOR

The consolidated financial statements for the Year have been audited by ZHONGHUI ANDA CPA Limited who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

A resolution to re-appoint the retiring auditor, ZHONGHUI ANDA CPA Limited, will be submitted at the forthcoming annual general meeting of the Company.

The consolidated financial statements for years ended 31 March 2020 and 2021 were respectively audited by Pricewaterhouse Coopers (who resigned as auditors of the Company in March 2021) and ZHONGHUI ANDA CPA Limited.

On behalf of the Board
Wealthking Investments Limited

LIU Zhiwei
Chairman

Hong Kong SAR, 24 June 2022

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

Wealthking Investments Limited (the "Company") and its board (the "Board") of directors ("Director') strongly believes that strict adherence to the highest governance standards is vital to fulfilling its corporate responsibilities as a listed company. The Directors and employees all endeavor to uphold and nurture accountability, transparency, fairness and integrity in all aspects of the Group's operations. We are committed to the highest governance standards by regularly reviewing and enhancing our governance practices.

The principles set out in the Corporate Governance Code ("CG Code") in Appendix 14 to the Listing Rules have been adopted to shape our corporate governance structure. Except otherwise stated in this corporate governance report ("Corporate Governance Report"), the Company has complied with the principles of the CG Code during the financial year ended 31 March 2022 (the "Year"). This report describes how the principles of the CG Code were applied during the Year under different aspects.

VALUES AND CULTURE

The primary purpose of the Company is to create value for our shareholders. In recognition of the Company's commitment to corporate responsibility, the Company strives for maintaining accountability to its employees, shareholders, investors and community. These purpose and values shape our strategy and business model, which are geared towards building a professional, market-oriented and international investment platform whereby identifying opportunities and creating values for shareholders.

The Company's purpose, values and strategy form the foundations of the Company's corporate culture. Our corporate culture is based upon adherence to high ethical standards and practices, and striving for sustainable corporate development.

CORPORATE GOVERNANCE AND ENVIRONMENTAL, SOCIAL, AND GOVERNANCE ("ESG")

The Company believes that a good corporate governance system is the key to sustainable corporate development. As one of the leading cross-border investors with its focus on China's fast-growing industries, the Company recognises its social responsibilities to run a sustainable business that benefits its stakeholders, namely its employees, shareholders, investors and the community. To this end, the Company has been embracing environmental, social, and governance concepts in its daily operations and apply those concepts and considerations in investment analysis (including evaluation of ESG risks) and decision making. During the Year, the Company has targeted its investments in "green" industries to account for not less than 5% of the Company's total investments. In addition, the Company has paid particular attention to the ESG-related risks associated with new investments and investment targets, and is committed to leveraging its capital strength to address the pressing ESG issues, including environmental degradation and climate change. More information can be found in the Company's Environmental, Social, and Governance Report 2021/2022, which is available on the Company's website.

CORPORATE GOVERNANCE CODE COMPLIANCE

Except otherwise stated herein, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not, at any time during the Year, in compliance with the CG Code.

Code Provision C.1.6

Code Provision C.1.6 provided that, the independent non-executive Directors and other non-executive Directors, as equal Board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders. During the Year, Dr. Liu Zhiwei attended the annual general meeting ("AGM") held on 18 August 2021 and two extraordinary meetings ("EGM") held on 15 October 2021 and 22 March 2022. Due to the stringent quarantine measures in response to the continuation of COVID-19 pandemic imposed by the Hong Kong government on cross-border travelers, other Directors were unable to attend the AGM and the EGM held on 18 August 2021 and 15 October 2021 respectively.

The attendance of each Director, by name, at the board, committees' and general meetings is set out in the subsection headed "Meetings" under Corporate Governance Report.

Code Provision C.2.1

Code Provision C.2.1 provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Dr. Zhu Xianzhong, the former chief executive officer of the Company ("CEO"), resigned on 29 December 2021 and Dr. Liu Zhiwei, an executive Director of the Company and the chairman of the Board, was appointed as the CEO on the same date in place of Dr. Zhu. Notwithstanding the deviation from Code Provision C.2.1, Dr. Liu's extensive experience and knowledge, together with the support of the management, had provided solid and consistent leadership for the Group. In addition, the vesting of the roles as the chairman and CEO to Dr. Liu had allow efficient and effective implementation of business strategies and decisions. On 14 March 2022, Dr. Liu Zhiwei ceased to be the CEO in compliance with Code Provision C.2.1, and Dr. Qiao Bingya was appointed as the CEO on the same date.

Code Provision D.1.2

Under Code Provision D.1.2, management should provide all members of the board with monthly updates which may include monthly management accounts. During the Year, although management accounts were not circulated to board members on a monthly basis, regular verbal reports were given by management to Directors from time to time, which Directors consider to be sufficient and appropriate in the circumstances in giving a balanced and understandable assessment of the Company's performance to enable Directors to discharge their duties.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a "Policy for Director and Employee Dealings in the Company's Securities" the terms of which are no less exacting than the required standard set out in the model code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 of the Listing Rules. It is also a regular practice of the Company to remind all Directors of the black out period and the Model Code immediately before the commencement of each black out period.

All Directors have confirmed that they have fully complied with the Model Code and the aforesaid internal policy regarding Directors' securities transactions throughout the Year.

Directors' and Chief Executive's interests and/or short positions in shares and underlying shares of the Company or any associated corporation are disclosed in the section headed "Directors' and Chief Executive's Interests and/or Short Positions in the Shares and Underlying Shares of the Company or Any Associated Corporations" in the Directors' Report.

THE BOARD

Composition

The Board currently comprises seven members, namely one executive Director, two non-executive Directors ("NEDs") and three independent non-executive Directors ("INEDs"). The INEDs are either accounting or financial experts.

The Board's constitution is governed by Article 105 of the Articles of Association of the Company (the "Articles") under which the number of Directors shall not be less than two and Rules 3.10 and 3.10A of the Listing Rules under which every board of Directors of a listed issuer must include at least three independent non-executive Directors, at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise, and an issuer must appoint independent non-executive Directors representing at least one-third of the board.

Guided by the principles laid down in the GC Codes, the Board has a balanced composition of executive Director, NEDs and INEDs to ensure that there is a balance of skills and experience appropriate to the requirements of the business of the Group and strong independent element on the Board, which can effectively exercise independent judgement. There is no relationship (including financial, business, family or other material relationship) among members of the Board.

The list of Directors and their biographies (including their roles and functions at the Company) are set out in the Biographical Details of Directors and Senior Management section of this Annual Report, and are available on the Company's website.

Board Diversity Policy

The Board adopted its Board Diversity Policy in August 2013. A summary of the policy is as follows:

Board diversity can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience appropriate to the Company's business model and specific needs. The Nomination Committee will: (i) discuss, agree and review annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption; (ii) report annually, in the Corporate Governance Report of the Company's annual report, a summary of the policy, the measurable objectives set for implementing the policy, and the progress made towards achieving those objectives; and (iii) review the policy, as appropriate, to ensure the effectiveness of the policy and discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

The Board will review the effectiveness of the Board Diversity Policy on an annual basis with a view to ensuring that the Board will have a balance of skills, experience and diversity of perspectives appropriate to the Company's operation. The Board is committed to gender diversity, and targets to appoint at least one director of a different gender no later than 31 December 2024.

Responsibilities

The overall management of the Group's business is vested in the Board, which assumes responsibility for leadership and control of the Group and is collectively responsible for promoting success of the Group by directing and supervising its affairs. All Directors make decisions objectively in the best interests of the Group. The Board takes the responsibility for all major matters of the Company including: the preparation of the accounts, the approval and monitoring of all policy matters, overall strategies, risk management and internal control systems, appointment and retirement of Directors and other significant financial and operational matters. It will regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether he is spending sufficient time to perform his duties. The executive Director is responsible for overseeing the day-to-day management of the Group's operations and implementation of the strategies set by the Board. The NEDs and INEDs participate in board meetings bringing in their respective expertise and experience to the Board. In addition, the INEDs serve on the audit, remuneration, nomination and corporate governance committees to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments, standards of conduct and potential conflicts of interests, if any. The management team, led by the CEO, is delegated with the responsibilities of implementing the strategies and policies approved by the Board, monitoring the performance and managing the day-to-day operation of the Group. As the Company is an investment company, investment management services have been delegated to the investment manager; the custodian services have been delegated to the custodian. The delegated functions and performance are reviewed periodically by the Board.

THE BOARD (Continued)

Independent Views

The Company has established the following mechanisms to ensure that independent views and input are available to the Board:

- when selecting and recommending candidates for directorship, the Nomination Committee is required to consider whether the candidates for INEDs satisfy the independence requirements of the Listing Rules;
- the chairman would hold meetings with the INEDs without the presence of other directors at least annually; and
- the Board may seek independent professional advice, at the Company's expense, to ensure that they will have access to accurate and relevant professional views in the performance of their responsibilities.

During the reporting period, the chairman has held 1 meeting with the INEDs without the presence of other directors to discuss the Company's strategy, director's contributions, and their independent view. The Board will review the implementation and effectiveness of the above mechanisms on an annual basis.

Chairman and CEO

The Chairman of the Company is Dr. Liu Zhiwei. During the Year, Dr. Zhu Xianzhon (resigned on 29 December 2021), Dr. Liu Zhiwei (from 29 December 2021 to 14 March 2022) and Dr. Qiao Bingya (appointed on 14 March 2022) had respectively served as the CEO of the Company.

There is a clear division of the management of the Board and the day-to-day management of business of the Group between the roles of the Chairman and the CEO to ensure that power is not concentrated in any one individual. The Chairman is mainly responsible for providing leadership for the Board and ensuring that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. The CEO is mainly responsible for implementing the strategies and policies approved by the Board, monitoring the performance and managing the day-to-day operation of the Group.

Save and except Dr. Liu Zhiwei who served as both the Chairman and the CEO of the Company between 29 December 2021 and 14 March 2022, there is no relationship (including financial, business, family or other material relationship) between the Chairman and the CEO.

Non-executive Directors

Dr. Fu Weigang has been re-designated from INED to NED since 11 October 2021. Dr. Wang Shibin was appointed as a NED on 11 October 2021. Since their respective re-designation and appointment as NED on 11 October 2021, Dr. Fu Weigang and Dr. Wang Shibin have not held any management or executive role in the Company other than holding the office of NED and attending Board meetings. Both Dr. Fu and Dr. Wang were appointed for a term commencing on 11 October 2021 until the conclusion of the annual general meeting in 2024, subject to retirement and re-election in accordance with the Listing Rules and the Articles.

THE BOARD (Continued)

Independent Non-executive Directors

Prof. He Jia has been appointed as INED since 2002 and Mr. Wang Xiaojun has been appointed as INED since 2004. Both of them resigned as INED on 22 April 2022. Mr. Chen Yuming has been re-designated from NED to INED with effect from 15 July 2019. Mr. Yan Xiaotian and Mr. Zhao Kai were appointed as INED on 22 April 2022.

Independence of Independent Non-executive Directors

To determine the independent non-executive Directors' independence, assessments are carried out upon appointment, annually and at any time where the circumstances warrant reconsideration. The appointment of the INEDs are subject to retirement by rotation of at least once every 3 years in accordance with the Listing Rules and the Articles.

The Company confirms that it has received from each of the INEDs an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers the INEDs are independent in character and judgement, and fulfill the independence guidelines.

Since the re-designation of Mr. Chen Yuming from NED to INED and the appointment of Mr. Yan Xiaotian and Mr. Zhao Kai as INED, they have not held any management or executive role in the Company other than holding the office of INED and attending Board meetings and committee meetings. They and their immediate family members are not connected with any Director, chief executive or substantial shareholder of the Company. They and their immediate family members did not have any material interest in any business activity of or were involved in any business dealings with the Company, its holding company or any of their subsidiaries or with any core connected persons of the Company. They and their immediate family members are not financially dependent on the Company, its holding company or any of their subsidiaries or core connected persons of the Company. As at the date of this report and within the meaning of Part XV of the Securities and Futures Ordinance, Mr. Chen Yuming, Mr. Yan Xiaotian and Mr. Zhao Kai do not have any interests in the shares of the Company.

Other than the above, the Board is satisfied that none of the factors set out in Rule 3.13 of the Listing Rules applies to their re-designation or appointment as INEDs. Accordingly, the board is satisfied and has demonstrated to the satisfaction of the Stock Exchange that they are independent to act as INEDs pursuant to Rule 3.14 of the Listing Rules.

Continuous Professional Development

All Directors should keep abreast of their responsibilities as Directors and the Company's business and activities. The secretary of the Company (the "Company Secretary") continuously updates all Directors on the latest developments regarding Listing Rules and other applicable regulatory requirements to ensure compliance of the same by all Directors. All Directors are also encouraged to attend relevant training courses and seminars that may require keeping abreast with the latest changes in laws, regulations and the business environment. Pursuant to Code Provision C.1.4, Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant.

During the Year, all Directors have participated in appropriate continuous professional development activities either by attending training courses or by reading materials relevant to the Company's business, corporate governance, the latest development of the industry or the Directors' duties and responsibilities. Each Director has confirmed that he has participated in continuous professional development by attending training course or reading relevant materials on the topics related to corporate governance and regulations. During the Year, Ms. Ng Sau Lai, the Company Secretary, undertook no less than 15 hours of relevant professional training.

THE BOARD (Continued)

Meetings

Each Director makes every effort to contribute to the formulation of strategy, policy and decision-making by attending each meeting, whether in person or by telephonic conference, and each of them is prepared to contribute to the Group's business.

All Directors are also encouraged to attend general meetings and develop a balanced understanding of the views of the Shareholders. Besides general meetings, regular Board and committee meetings are held for reviewing, discussing, considering and approving the financial and operating performance, the overall strategies and policies of the Company.

There were 4 full Board meetings, 2 Audit Committee's meetings, 1 Remuneration Committee's meetings, 2 Nomination Committee's meetings, 2 CG Committee's meetings and 3 general meetings for the Year.

The attendance record of each Director was as follows:

	Meetings attended/held					
Name of Directors	**General** (Note)	**Regular Board** (Note)	**Audit Committee** (Note)	**Remuneration Committee** (Note)	**Nomination Committee** (Note)	**CG Committee** (Note)
Executive Director						
Dr. Liu Zhiwei	3/3	4/3	–	–	2/2	–
Non-executive Directors						
Dr. Fu Weigang (re-designated from INED on 11 October 2021)	1/3	4/4	–	–	–	–
Dr. Wang Shibin (appointed on 11 October 2021)	1/2	2/2	–	–	–	–
Independent non-executive Directors						
Prof. He Jia	1/3	4/4	2/2	1/1	2/2	2/2
Mr. Wang Xiaojun	1/3	4/4	2/2	1/1	2/2	2/2
Mr. Chen Yuming	1/3	4/4	2/2	1/1	2/2	2/2

Note: The attendance figure represents actual attendance/the number of meetings a director is entitled to attend throughout the Year.

Performance Evaluation

The executive Board conducts an evaluation of the Board's performance on an annual basis with the aim of ensuring continuous improvement in the functioning of the Board. The evaluation will focus on the Board structure, culture, decision-making processes, proceedings of meetings as well as the performance of the Board as a whole, with a view towards recommending areas for further improvement. The results of the evaluation will be presented to all Directors, including the INEDs, for review. The executive Board has conducted an evaluation for the Year which revealed that the Board performed well with a strong composition. The Board continued to operate efficiently and was well aligned with the Group's overall objectives.

BOARD COMMITTEES

A total of 4 Board Committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the CG Committee (collectively referred to as the "Committees") have been formed, each of which has specific roles and responsibilities delegated by the Board.

The Committees' terms of reference are reviewed and updated regularly to ensure they continue to be at the forefront of best practice, and they are available on the Company's website. Each Committee's membership is also reviewed by the Board annually.

The member lists of the Committees are set out below in this Corporate Governance Report.

Audit Committee

The Audit Committee currently comprises three INEDs, namely, Mr. Chen Yuming, Mr. Yan Xiaotian and Mr. Zhao Kai. Mr. Chen Yuming is the chairman of the Audit Committee.

The major role and function of the Audit Committee are to review the interim and annual results and risk management and internal control systems of the Company and perform other duties under the CG Code. More details of its duties are set out in its terms of reference.

During the Year, the Audit Committee has performed the following duties:

- made recommendations to the Board on the reappointment of the external auditor, the remuneration and terms of engagement of the external auditor;
- reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- discussed with the external auditor the nature and scope of the audit and reporting obligations;
- made recommendations on the engagement of the external auditor to supply non-audit services;
- monitored integrity of the Company's financial statements, annual report and interim report and reviewed significant financial reporting judgements contained in them;
- held two meetings with the external auditor;
- held one meeting with the internal auditors;
- reviewed and discussed the risk management and internal control systems with the management to ensure that management has performed its duty to have effective systems; and
- reviewed and discussed the adequacy of resources, staff qualification and experience of the Company's accounting and financial reporting function.

BOARD COMMITTEES (Continued)

Remuneration Committee

The Remuneration Committee currently comprises three INEDs, namely, Mr. Chen Yuming, Mr. Yan Xiaotian and Mr. Zhao Kai. Mr. Zhao Kai is the chairman of the Remuneration Committee.

The major role and function of the Remuneration Committee are to review and provide recommendations on the policy for the remuneration of all Directors and senior management. It will make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. More details of its duties are set out in its terms of reference.

The Remuneration Committee has determined the policy for the remuneration of the executive director, assessed performance of the executive director and approved the terms of the service contract of the executive director.

Nomination Committee

The Nomination Committee currently comprises one executive Director, Dr. Liu Zhiwei and three INEDs, namely, Mr. Chen Yuming, Mr. Yan Xiaotian and Mr. Zhao Kai. Dr. Liu Zhiwei is the chairman of the Nomination Committee.

The major role and function of the Nomination Committee are to review and provide recommendations on the policy for the nomination of directors. The policy for the nomination of directors during the Year is set out in the subsection headed "Nomination Policy" under this Corporate Governance Report. More details of its duties are set out in its terms of reference.

The Nomination Committee has also reviewed the structure, size and composition of the Board, assessed the independence of INEDs and made recommendations on the re-appointment of retiring Directors to the Board. Re-appointments of Directors were approved by the Shareholders at the AGM held on 18 August 2021.

Corporate Governance Committee

The Corporate Governance Committee currently comprises three INEDs, namely, Mr. Chen Yuming, Mr. Yan Xiaotian and Mr. Zhao Kai. Prof. Mr. Yan Xiaotian is the chairman of the Corporate Governance Committee.

The major role and function of the Corporate Governance Committee are to review and provide recommendations on the policy for the corporate governance of the Company. More details of its duties are set out in its terms of reference.

During the Year, the Corporate Governance Committee has developed and reviewed the Company's policy and practices on corporate governance, reviewed and monitored training and continuous professional development of Directors and senior management, as well as compliance with the Corporate Governance Code and relevant disclosure in the annual report for the year ended 31 March 2021 and the interim report for the period from 1 April 2021 to 30 September 2021. Except for the Company's non-compliance with Code Provisions C.1.6, C.2.1 and D.1.2 of the CG Code, which have been disclosed in this Corporate Governance Report, the Corporate Governance Committee concluded that the Company has complied with other requirements of the Corporate Governance Code and all other Directors have fully complied with the Model Code during the Year. The disclosure in this Corporate Governance Report has also been reviewed by the Corporate Governance Committee.

NOMINATION POLICY

1. Criteria for the selection and recommendation of candidates for directorship

The Nomination Committee should consider the following criteria when selecting and recommending candidates for directorship:

(i) Experience and expertise: whether the candidates have the professional qualifications, skills, knowledge, expertise and experience relevant to the business development of the Company.

(ii) Integrity and character: whether the candidates are a person of honesty, integrity and have a good reputation.

(iii) Time commitment: whether the candidates can provide sufficient time to discharge their duties as a director, including attending board meetings, participating in director training and other matters of the Company.

(iv) Diversity policy: whether the candidates satisfy the Board Diversity Policy of the Company, including but not limited to gender, age, cultural and educational background.

(v) Independence: whether the candidates for independent non-executive Director satisfy the independence requirements of the Listing Rules, have a conflict of interest with the Company, are independent in character and judgment, and able to act on behalf of and in the best interests of the shareholders of the Company as a whole.

(vi) Other factors that the Board or the Nomination Committee may further consider from time to time.

2. Nomination procedures

(1) Appointment of new director or replacement of director

(i) Upon receipt of the proposal on appointment of new director or replacement of director, the Nomination Committee identifies and selects candidates through various channels, including but not limited to shareholders, Directors, management, the Company's human resources department and external headhunting companies.

(ii) The Nomination Committee may evaluate candidates in such manner as they think fit, including but not limited to face-to-face interviews, background checks, and third-party verification.

(iii) The Nomination Committee submits the list of shortlisted candidates to the Board for consideration. The Board, after consideration, makes the final decision on the appointment of the candidate based on the recommendation by the Nomination Committee.

(2) Re-election of director and nomination by shareholder

(i) The Board should review the contribution of the retiring director to the Company and his/her level of participation and performance on the Board. The independence and the year of service should also be considered for the retiring non-executive director. Where a retiring director, being eligible, offers himself for re-election, and the Board considers appropriate, the Board shall recommend such retiring director to stand for re-election at a general meeting. A circular containing the information on such retiring director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules.

(ii) No person shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, during a period, which shall be at least seven days, commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than seven days before the date of such meeting, there has been given to the Company Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Group's accounts for each financial period and to ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of the consolidated financial statements. The Directors, having made appropriate enquiries, confirm that they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

AUDITOR'S REMUNERATION

During the Year, the Audit Committee reviewed with the external auditor, ZHONGHUI ANDA CPA Limited, of the Group with regard to their independence, their appointment, the scope of their audit, their fees, and the scope and appropriate fees for any non-audit services provided by them.

During the Year, the fees paid/payable to ZHONGHUI ANDA CPA Limited a in respect of audit services and non-audit services amounted to HK$1,350,000 and HK$118,000 respectively.

The statement of the external auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the "Independent Auditor's Report".

COMPANY SECRETARY

The Company Secretary, Ms. NG Sau Lai, is responsible for facilitating the Board process, as well as communication among the Board members, with the Shareholders and management of the Company.

SHAREHOLDERS' RIGHTS

Convening EGM

Pursuant to Article 79 of the Articles, the Board may, whenever it thinks fit, convene an EGM. General meetings shall also be convened on the written requisition of:

- any two or more members of the Company; or
- any one member of the Company which is a recognized clearing house (or its nominee) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, and such requisitionist shall hold as at the date of deposit of the requisition not less than 10% of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

SHAREHOLDERS' RIGHTS (Continued)

Convening EGM (continued)

Pursuant to Article 80(a) of the Articles, subject to section 578 of the Companies Ordinance, an annual general meeting shall be called by notice in writing of at least 21 clear days (or such longer period as may be required by the Listing Rules), and a general meeting other than an annual general meeting shall be called by notice in writing of at least 14 clear days (or such longer period as may be required by the Listing Rules), which notice shall be given in the manner prescribed by these Articles to all members, to the Directors and to the Auditor. Notice of a general meeting shall be given to such persons as are, under these Articles, entitled to receive such notices from the Company. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business (as defined in Article 82) the general nature of that business. The notice convening an annual general meeting shall specify the meaning as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution.

Further details of the procedures for shareholders to convene general meetings and put forward proposals at a general meeting are set out in the Company's Articles which is available on the Company's website.

Shareholder Communication Policy

The Board is accountable to the Shareholders for the Company's performance and activities. It recognizes the importance of promoting mutual understanding between the Company and the Shareholders through ongoing engagement and communication.

The Company also maintains an ongoing dialog with the Shareholders, for example, through annual general meeting or other general meetings to communicate with them and encourage their participation. The Board always ensures that the Shareholders' and other stakeholders' views are heard and welcomes their questions and concerns relating to the Group's management and governance.

The Shareholders and other stakeholders may at any time send their enquiries and concerns to the Company by addressing them to the Company Secretary or the Investor Relations Officer by post or email at ir@wealthking.com.hk. The contact details of the Investor Relations Officer are set out in the Company's website.

Details of the Company's "Shareholder Communication Policy" are available on the Company's website. The Company will review the effectiveness of the policy on an annual basis.

INVESTOR RELATIONS

Constitutional Documents

There was no significant change in the Company's constitutional documents during the Year.

General Meetings

A general meeting is an important forum where communications with the Shareholders can be effectively conducted. During the Year, one annual general meeting and two EGMs were held at the principal place of business of the Company on 18 August 2021, 15 October 2021 and 22 March 2022 respectively. In response to seriousness of the COVID-19 pandemic and in view of the prevailing Prevention and Control of Disease (Prohibition on Gathering) Regulation (Cap. 599G, laws of Hong Kong) and Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Cap. 599F, laws of Hong Kong), the EGM held on 22 March 2022 took the form of a hybrid meeting whereby Shareholders were able to attend the EGM via the e-Meeting System from any location with access to the internet via smartphone, tablet device or computer. Details of the poll results were posted on the websites of the Stock Exchange and the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Group is committed to set up and maintain an effective risk management and internal control systems which is devised to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage and minimize rather than eliminate the risks of failure in the Group's operational systems. The risk management and internal control systems are subject to review on an annual basis.

The Board is responsible for maintaining a sound and effective risk management and internal control systems particularly in respect of the controls on financial, operational, compliance and risk management, to achieve the Group's business strategies and business operations and safeguard the Shareholders' investment and the Group's assets.

During the Year, the outsourced internal auditor, Cheng & Cheng Risk Advisory Services Limited, has reviewed and appraised on the effectiveness of risk management and internal control systems. The objective of this internal audit service was to assist the Audit Committee and the Board of Directors in carrying out their responsibilities in accordance with Code Provision D.2.1 to conduct a review of the effectiveness of the Group's risk management and internal control systems and to report the findings in the Corporate Governance Report. Such review is based on the Integrated Framework of the Committee of Sponsoring Organisation of the Treadway Commission ("COSO") Framework and the Internal Control and Risk Management, and covered all material controls, including financial, operational and compliance controls and risk management functions. The internal auditor's reports concluded that there was no material defect and mistake in risk management and internal control system.

The Audit Committee accepted the reports and then report to the Board. After discussion with the Audit Committee, the Board was of the view that the existing risk management and internal control systems were generally effective to the Group and adequate, but the Group should consider the internal auditor's recommendations regarding risk management and internal control to support the growth of the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

I. PREAMBLE

In 2021, the global livelihoods and economy gradually recovered along with the introduction of COVID-19 vaccines. Nevertheless, inflationary pressures and the emergence of virus variants have caused the economic recovery of various business segments to be slower than expected. In addition, the increasingly frequent extreme weather events, including floods, heatwaves, and cold fronts, have sparked the concerns from the finance industry, which press the finance industry to take into due consideration of climate change's associated impact on its investee's debt-paying ability and operations. As such, integrating Environmental, Social, and Governance ("ESG") considerations into its business strategy is of paramount importance for finance enterprises to minimize their exposure to significant ESG risks and climate-change-induced crises.

Since the Chinese Government has highlighted the importance of green finance in the 14th Five-Year Plan and the Securities and Futures Commission ("SFC") of Hong Kong established the Green and Sustainable Finance Cross-Agency Steering Group (Steering Group) in 2020, these implied that the market is laying greater emphasis on ESG topics, ranging from climate change, health, and wellbeing, to labour rights and social welfare. To this end, incorporating these factors into decision-making processes to facilitate green and sustainable development has increasingly become a crucial aspect for investing.

As one of the leading cross-border investors with its focus on China's fast-growing industries, Wealthking Investments Limited (the "Company") and its subsidiaries (collectively, the "Group") seizes every opportunity amid the challenging times. The Group has been embracing ESG concepts in its daily operations and believes that by putting an appropriate emphasis on ESG in investment analysis and decision making, it can achieve its investment objectives, lower the risks associated with ESG-related matters and ultimately create diversified returns for its shareholders.

II. REPORTING BOUNDARY & PRINCIPLES

In strict compliance with the requirements under Appendix 27 — ESG Reporting Guide ("ESG Guide") of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"), the Group is pleased to present its ESG Report for the year ended 31 March 2022 ("FY2021/2022"), which demonstrates the Group's approach and performance in terms of ESG management and corporate sustainable development for FY2021/2022. For the corporate governance section, please refer to the Group's 2021/2022 Annual Report on pages 39 to 50.

The ESG report has been prepared in both English and Chinese Language. If there is any conflict or inconsistency, the English version should prevail. A complete content index table is available at the end of the ESG report for readers' convenience to check its integrity.

Boundary Setting

Given the business nature of the Group, the boundary of the ESG report remains the same as in previous years that covers the performance and management policies of the Group's investment business. Other than the specified environmental performance disclosed which only focus on the operations based in Hong Kong, other disclosures in this ESG Report covers the operations of the whole Group.

Reporting Principles

As reporting principles underpin the preparation of the ESG report, the main ESG performance of the Group FY2021/2022 of the ESG report has been determined and disclosed under the principles of Materiality, Quantitative, Balance and Consistency.

Materiality

In FY2021/2022, a materiality assessment on ESG-related topics was performed with reference to the recommended procedures of the Stock Exchange based on continuous dialogues with the Group's stakeholders. The Group consulted with its key stakeholders on its ESG impacts and their sustainability concerns, then prioritised and mapped the results of consultation into a materiality matrix which presents the relevant ESG issues material to the Group in its ESG management, to which the Group will continue to pay more attention in its business development.

Quantitative

The Group collected and summarised its performance in greenhouse gas ("GHG") emissions, consumption of various energy resources, and social Key Performance Indicators ("KPIs") including the number of employees in terms of age, gender, position types, and geographic locations, implementation of training policies and contributions to local communities and the society in a numeric manner. Relevant calculation methods and assumptions are specified under the corresponding performance tables.

Balance

To portray an unbiased picture of the Group's impact from the environmental and social aspects, both achievements and room for improvements are discussed in the ESG Report.

Consistency

For meaningful comparisons and better benchmarking, the Group based its approaches to boundary setting and the accounting of GHG emissions on Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong, "How to Prepare an ESG Report? — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and the 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories, which enabled the Group to effectively monitor its trajectory in minimising its carbon footprint. Given the application of the principle of Materiality, the Group considered the Scope 3 emission to be insignificant when compared to the overall emission of the Group during FY2020/2021 and FY2021/2022, and thus decided not to include Scope 3 emissions into the calculation of the total GHG emission.

III. MESSAGE FROM THE BOARD

2021 is the opening year of the 14th Five-Year Plan, in which China has emphasised the importance of the development of green finance in the facilitation of the green and low-carbon transformation of the real economy. In response to the national call for green finance, the Group has persevered in seeking ways to enhance the ESG alignment of our analysis and investments to create a positive environmental and social impact while generating decent financial returns. In 2021, the Group was awarded the "Best Financial Company" in the 6th Golden Hong Kong Stock Award, which recognised its prominent position and development in financial performance, social responsibility as well as information transparency.

Our ESG Strategy

As a financial enterprise, the major ESG-related risk that the Group has been exposed to is from its investment portfolio. As such, the Group has taken due consideration of the ESG risks in its investment portfolio. During the assessment phase, the Group has integrated ESG considerations into selection criteria, including investment analysis, due diligence, decision-making, and portfolio management. With regular reports and comments, the Group keeps being updated with the latest ESG information of its investees. The Group also effectively monitor and review the ESG performance and associated risks of its investees.

In the meantime, the Group values the engagement of both internal and external stakeholders. To this end, the Group is committed to conducting an annual materiality assessment to identify the priorities of the Group's business when deciding our sustainability strategy. The consolidated stakeholders' feedback will be reported to the Board of Directors of the Group (the "Board") for internal discussions, so as to examine the topics of greatest interest to the Group and our stakeholders. The Board is responsible for ensuring that the necessary mechanisms for corporate governance and ESG policies are in place, meanwhile overseeing the Group's ESG issues from a strategic perspective. More details can be found in the following chapters **ESG Management Strategy** and **Stakeholder Engagement**.

Response to the Pandemic

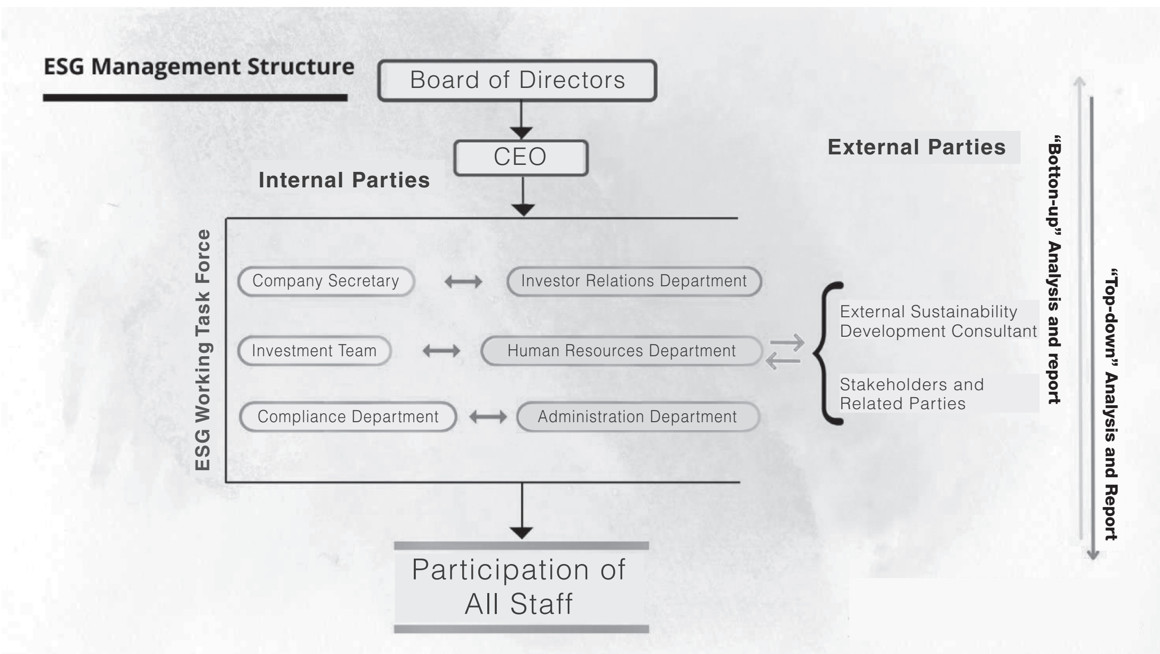
Benefiting from the increasing vaccination rate, the global economy and livelihood are ready to resume and shake off the impact of the pandemic. Nevertheless, we remain prudent in implementing control measures and fully complies social distancing rules announced by the government, to minimise the spread of the virus within the Group to safeguard the health and safety of our employees, business partners, and clients.

Looking into the Future

With an increasing interest and attention in the integration of ESG and impact investing into operations, we will continue to contribute to environmental protection and social welfare via investments and reinforce the engagement with investee companies in the portfolio from the perspective of ESG issues and relevant activities, with the goal of improving our ESG practices and disclosure. In terms of our business operations, under the robust governance framework and resilient business model, we are well prepared to continuously deepen our sustainability strategy by setting more specific business-related environmental, social, and governance goals. Meanwhile, we plan to establish an ESG committee, which assists the investment team in identifying and analysing the potential ESG risks in investees and facilitate our understanding of the Group's progress in sustainable development.

IV. ESG MANAGEMENT STRATEGY

In view of the increasing concerns about ESG issues from the society, the Group has been committed to constructing a comprehensive ESG management structure and integrating sustainability into its business development. The Group is fully aware of the pivotal role that the Board plays in the corporate ESG management, in which the Board is fully responsible for overseeing and coping with the Group's ESG matters. As such, the Group ensures that the material sustainability topics that encompass ESG-related concerns are positioned on the Board agendas. For instance, the information of the latest update concerning ESG-related laws and regulations that have a significant impact on the Group and their expected impacts on the Group's operations will be reported to the Board by relevant departments, such that the Board can formulate plans promptly.



The Group adopts a two-way approach, namely "top-down" and "bottom-up", as its internal ESG management strategy. This helps the Group to better deliver the message of its corporate vision from the Board to all staff, while the frontline staff is also encouraged to update the policymakers and executives of the Group on a timely basis with their hands-on experience from their daily operations.

Under the Board's oversight and leadership on the management of ESG matters of the Group, all departments and staff execute relevant ESG policies and report on material affairs in performing duties. In order to facilitate the coordination of daily ESG management, the Group has constructed an ESG Working Task Force, comprised of employees from the Compliance Department, Investment Department, Administration Department, and Human Resources Department, which is responsible for formulating and implementing annual ESG plans and organising internal ESG-related activities.

In order to have a better assessment of its ESG-related risks during business development, the Group has integrated ESG considerations into operations including investment analysis, due diligence, decision-making and portfolio management, etc. The well-organised management framework and community strategy enable timely identification, report, discussion, and analysing of material ESG risks and opportunities faced by different departments, which allows the Group to formulate and implement effective countermeasures in an efficient manner. The Group pays particular attention to the ESG-related risks associated with new investments and investees, and the Group is committed to leveraging its capital strength to address the pressing ESG issues, including environmental degradation and climate change.

To manage the ESG-related risks in its investment portfolio, the Group acquires relevant ESG information via regular reports and feedback from various departments, and monitors and measures the ESG performance and associated underlying risks in the investees.

V. STAKEHOLDER ENGAGEMENT

The Group values its stakeholders' feedback and thus has been actively engaging with its stakeholders to identify and address their concerns in relation to the Group's sustainable development on a continuous basis. For the sake of realising the industrial best practices, the Group has been committed to maintaining a sound relationship with all its stakeholders as well as through a proactive, outcomes-based engagement with its investee companies. Besides, the Group has involved the representatives from both internal and external parties in defining, prioritising, and implementing its sustainability strategies through the following means, during which the Group has carefully listened to and responded to its stakeholders' concerns.

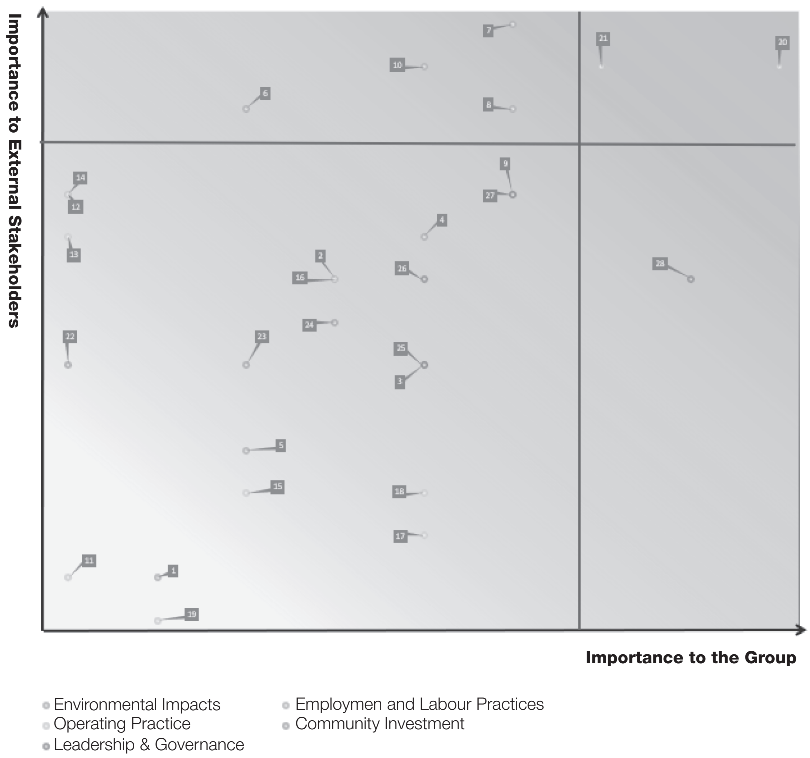
Communication with Key Stakeholders

Stakeholders	Expectations and Concerns	Communication Channels
Government and regulatory authorities	– Law and regulation compliance – Anti-corruption policies – Occupational health and safety	– Supervision on the compliance with local laws and regulations – Routine reports and tax payments
Shareholders	– Return on investments – Corporate governance – Law and regulation compliance	– Regular reports – Announcements – Annual general meetings
Employees	– Employees' remuneration and benefits – Career development – Training opportunities – Health and safety in the workplace	– Performance appraisal – Regular meetings and training courses – Written comments via emails, notice boards, telephone calls and team building activities with management
General public	– Involvement in communities – Environmental, social and economic impacts of the Group's investments – Employment opportunities	– Media conferences and responses to enquiries – Corporate website – Social media platforms

Materiality Assessment

As ESG risks and opportunities vary among stakeholders of the Group involving different backgrounds, principal activities, and business/operating models, the Group identifies the material ESG topics in a stepwise manner, including performing a materiality assessment survey with its selected stakeholder representatives. Specifically, the Group engaged the selected stakeholders from both internal and external parties including the general staff, senior management, directors, suppliers and professional organisation in an online survey to express their views against a list of ESG issues of the Group. The online survey contained well-designed questions, which were believed to be material and relevant to the Group's business development and strategies from the stakeholders' standpoint. The objective and decision-useful materiality assessment allowed the Group to prioritise its ESG issues after mapping the results of the survey into a materiality matrix as shown below.

Stakeholder Engagement Materiality Matrix



1	GHG Emissions	15	Products/Services Quality and Safety
2	Energy Management	16	Customer Privacy and Data Security
3	Water and Wastewater Management	17	Marketing and Promotion
4	Solid Waste Stewardship	18	Intellectual Property Rights
5	Climate Change Mitigation and Adaptation	19	Labelling Relating to Products/Services
6	Renewable and Clean Energy	20	Business Ethics and Anti-corruption
7	Labour Practices	21	Internal Communication and Grievance Mechanism
8	Employee Remuneration and Benefits	22	Participation in Philanthropy
9	Occupational Health and Safety	23	Cultivation of Local Employment
10	Employee Development and Training	24	Support of Local Economic Development
11	Green Procurement	25	Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities
12	Engagement with Suppliers	26	Management of the Legal and Regulatory Environment (regulation-compliance management)
13	Environmental and Social Risk Management of Supply Chain	27	Critical Incident Risk Responsiveness
14	Supply Chain Resilience	28	Systemic Risk Management (e.g. Financial Crisis)

Through the materiality analysis, the Group identified “Business Ethics and Anti-corruption” and “Internal Communication and Grievance Mechanism” as the ESG issues that were of great importance to the Group’s sustainable development.

Stakeholders’ Feedback

Striving for excellence, the Group welcomes its stakeholders’ feedback and advice on the improvement of its corporate ESG approach and performance, especially the ESG issues identified as the most important ones in the materiality assessment of the Group. Readers are also welcome to share their views on the ESG matters with the Group at ir@wealthking.com.hk.

VI. ENVIRONMENTAL SUSTAINABILITY

In response to the national call of constructing a green, low-carbon, and high-quality development transition, the Group strives to minimise the underlying environmental impacts and has been committed to practising sustainability of the environment and community in which it operates. During the year under review, the Group stringently complied with relevant environmental laws and regulations in Hong Kong, including the Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong).

This section primarily discloses the Group's policies, practices, and performance on emissions, use of resources, the environment and natural resources, as well as climate change in FY2021/2022.

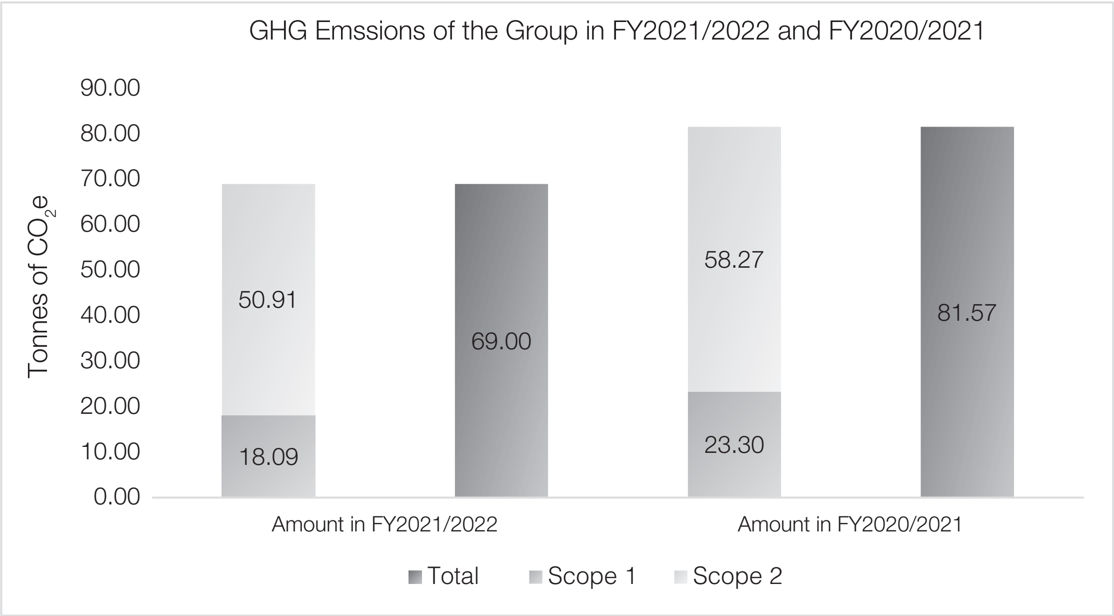
Emissions

In FY2021/2022, the Group was not aware of any violation of laws and regulations in relation to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste, and noise that have a significant impact on the Group.

Given its business nature, the Group did not generate significant air emissions during business operation. The air and GHG emissions mainly came from the fuel combustion for vehicles and electricity consumption. In FY2021/2022, the air emissions of sulphur oxides ("SO_X"), nitrogen oxides ("NO_X"), and particulate matter ("PM") amounted to 0.10 kg, 2.94 kg, and 0.22 kg, respectively. In response to the "Dual Carbon Goal" pledged by the Chinese government, the Group strives to reduce its carbon footprint throughout its business operation. In FY2021/2022, the GHG emissions from the Group were primarily due to the combustion of gasoline and the electricity consumption. Specifically, the Group's total GHG emissions were 69.00 tonnes CO_2e, with an intensity of 0.05 tonnes CO_2e/m^2. As the solid waste and wastewater were collected and managed by the property management company of the building where the Group operates in a unified manner, the Group did not receive a detailed record of its waste amount during its operations in FY2021/2022. In light of its business nature, the Group did not generate any hazardous waste in FY2021/2022. The Group's total emissions in FY2021/2022 were summarised in Table 1 in the Appendix.

Air & GHG Emissions

In full support of the construction of a "Beautiful China", the Group has been strictly monitoring its resource consumption and improving its energy efficiency in its business operation so as to eliminate its carbon emissions. In FY2021/2022, given the reduction in gasoline consumption for transportation, the air emissions of the Group dropped significantly. Compared with FY2020/2021, the Group's SO_X, NO_X, and PM dropped by around 23%, 37%, and 35% respectively.



During the year under review, the Group's GHG emissions were mainly due to the combustion of gasoline for its vehicles and electricity consumed in its office. The Group's Scope 1 and Scope 2 emissions in FY2021/2022 were 18.09 and 50.91 tonnes CO_2e respectively. As compared to that in FY2020/2021, Scope 1 emissions of the Group dropped by approximately 22% while Scope 2 emissions of the Group lessened by approximately 13%, which was mainly due to the reduction in consumption of the electricity and gasoline during the year under review. As the Group did not have any business air travel during the FY2021/2022, the Group's Scope 3 emissions were insignificant to the total GHG emissions, therefore, the Scope 3 emissions are not disclosed given the application of the principle of Materiality.

Despite the fact that the Group did not generate a great amount of air and GHG emissions, the Group has been dedicated to reducing its portfolio exposure to carbon-related risks via making investments in clean and renewable energy sectors.

The Group's policies in controlling air and GHG emissions that are closely linked to the energy use will be further described in the next subsection under **Electricity** and **Other Energy Resources**.

Wastewater & Solid Waste

During the year under review, the waste discharged from the Group's office was mainly commercial wastewater and commercial solid waste including paper, batteries, cartridges and toners. The wastewater was directly discharged into the municipal drainage system, while the solid waste was handled by the property management company of the building. Since the amount of wastewater highly depends on the quantity of fresh water consumed, the Group has adopted specific measures, which will be further described in the next subsection under **Water**, to enhance its resource efficiency in the office.

As part of its commitment to operational excellence and Sustainable Waste Stewardship, the Group has integrated circular thinking into its daily operations and advocated the "3R Principle" in waste management, namely Reduce, Reuse and Recycle, to practice its resource circularity.

Targets and Actions

Areas	Targets	Actions and Practices
Air Emissions	Taking FY2021/2022 as the baseline year, the Group targets to maintain its air emission within 5 years under the same scope.	The Group rigorously advocates "green travel" and encourages its employees to practice carpooling and taking public transport.
GHG Emissions	Taking FY2021/2022 as the baseline year, the Group targets to maintain its GHG emission within 5 years under the same scope.	The Group will reinforce the education of its employees concerning "Energy Conservation". In addition, the Group will put forward a series of practicable measures in reducing unnecessary electricity consumption.
Solid Waste and Wastewater	Given that the Group's solid waste and wastewater were under unified collection and management from the property management company of the building where it operates, accurate figures of the Group's solid waste and wastewater disposed of are hard to obtain, thereby not allowing the development of specific reduction targets on such wastes. The Group will keep integrating the philosophy of resource circularity into its daily operations and simultaneously encourage its employees to practice "3R" principles to lessen the amount of waste generated. In the future, the Group will strengthen its data collection on the non-hazardous waste disposed or discharge of throughout its daily operation, to facilitate the formulation of specific reduction targets on non-hazardous waste.	

Energy & Resources

In FY2021/2022, the major resources consumed by the Group were electricity, unleaded gasoline, water and paper. Table 2 in the Appendix illustrates the amount of different resources used by the Group in FY2021/2022 and FY2020/2021. Given the business nature, the Group did not consume any packaging materials during the year under review.

Electricity

During the year under review, the electricity was consumed for the business operations in the office, where the electricity consumption was 71.71 kWh'000 with a consumption intensity of 0.06 kWh'000/m^2. In FY2021/2022, the electricity consumption was slightly lessened by approximately 2% than that in FY2020/2021.

To mitigate its electricity consumption so as to further control its Scope 2 GHG emissions, the Group has integrated "Saving Electricity" into its business strategy and operations. In particular, the Group's office has implemented the following practices during the year under review:

- Turn off all lights, electronic devices and other power-consuming equipment at the end of the day;
- Switch off all idling appliances including lights and air conditioners;
- Purchase equipment with automatic low power mode or energy-saving mode;
- Assign representative(s) to coordinate energy-saving programmes; and
- Partner with the property management company to clean dust filters and fan coil units regularly.

Other Energy Resources

In FY2021/2022, unleaded gasoline was consumed by the Group as its primary energy resource for transportation. The amount of gasoline consumed by the Group was 6,800.96 L with a consumption intensity of 5.26 L/m^2. The consumption dropped by approximately 22% as compared with that in FY2020/2021. In order to diminish the impact brought by the Group's daily operations on the natural resources and the environment, the Group has employed an improved energy management strategy grounded in data and focused on energy-efficient solutions, including the encouragement of employees to make use of advanced video conferencing instead of unnecessary business travels and the promotion of "green travel" through carpool and means of public transport.

Water

The Group considers water as a precious natural resource, thus puts forward various practical measures to help its employees better understand their water footprint and achieve water conservation. In FY2021/2022, the Group consumed 214.0 m^3 of water with an intensity of 0.17 m^3/m^2. During the year under review, the Group did not face any problem in sourcing water fit for its purpose. The Group has formulated policies and raised recommendations to guide its employees to use water smartly. Committed to improving its performance in water efficiency, the Group will continue its efforts on monitoring and benchmarking the water usage in its operations:

- Promote and educate all staff with the concept of water conservation;
- Fix and report dripping taps timely for repair and maintenance;
- Partner with external parties to engage employees in water conservation initiatives;
- Set quotas and targets for water consumption restrictions to urge staff to save water;
- Adjust the water supply according to the season and resting time; and
- Establish water filters and emphasis the reuse of water.

Paper

Given the business nature, paper is one of the primary resources consumed throughout its operation. During the year under review, the paper consumption of the Group was 378.96 kg with a consumption intensity of 0.29 kg/m^2, which dropped by approximately 40% in consumption as compared to that in FY2020/2021. The Group has long been promoting the concept of "Paperless Office" and "Office Automation" and encouraging its employees to use less paper in the workplace while strengthening their efforts to recycle the wastepaper.

- Promote office automation and disseminate messages by electronic means as much as possible;
- Give priority to recycled paper instead of virgin paper during procurement;
- Set duplex printing as the default mode for most of the network printers;
- Put a single-sided paper collection box and recycling box near the photocopiers; and
- Encouraged all staff to reuse one-side printed papers as drafts.

Targets and Actions

Areas	Targets	Actions and Practices
Electricity	Taking FY2021/2022 as the baseline year, the Group targets to maintain its intensity of electricity consumption under the same scope at the same level within next 5 years.	In addition to the reinforcement of the promotion of "Saving Electricity" among its employees, the Group also gives priority to energy-efficient equipment during the procurement of the office supplies.
Other Energy Resources	Taking FY2021/2022 as the baseline year, the Group targets to maintain its consumption in gasoline under the same scope within next 5 years.	The Group encourages its employees to make use of video conferencing, carpooling and public transport to eliminate unnecessary business travel, so as to minimise the consumption of gasoline for company's vehicles.
Water	Given the amount of water consumed by the Group was calculated based on appropriate assumptions and an accurate figure of the Group's water consumption is hard to obtain, thereby not allowing the establishment of a specific reduction target on water consumption. Nevertheless, the Group will rigorously stick to its internal water conservation policies to guide its employees to use water smartly. In the future, the Group will strengthen its data collection on the water consumption throughout its daily operations, to facilitate the formulation of a reduction target.	

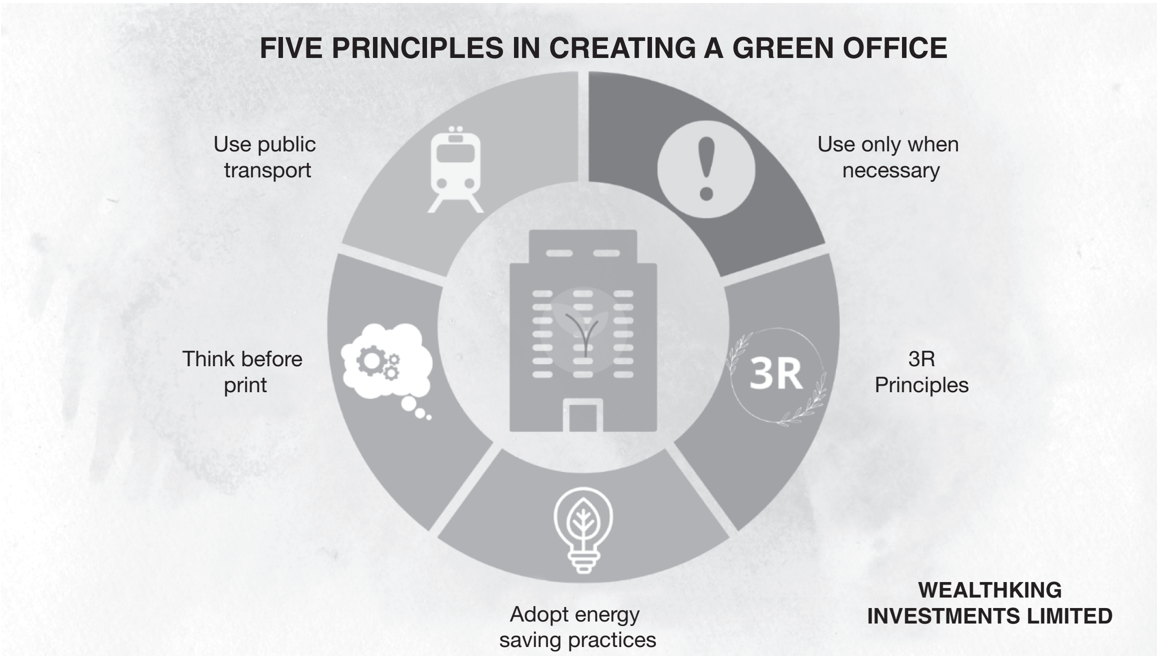
Environment and Natural resources

Given the business nature, the major resources consumed by the Group were electricity, unleaded gasoline, water and paper. Despite the fact that the Group did not pose significant impacts on environment and natural resources during its office operations, the Group has spared no effort in improving its performance in energy efficiency and resource conservation. Besides, the Group has integrated sustainability and ESG mindset into its business strategy to forge a workplace featuring sustainability elements. For instance, the Group was awarded the Green Office Awards Labelling Scheme (GOALS) and ECO-Healthy Workplace organised by the World Green Organisation (WGO) before.

Striving to be one of the leading enterprises in environmental sustainability, the Group has been unceasingly implementing green projects in its investments and creating a workplace in energy conservation. Over the years, the Group has taken the following practices in a proactive manner to minimise the underlying environmental impacts throughout its daily operations. For instance, the Group puts a wastepaper recycling box in each photocopying area of the office. The Group worked on waste classification through the "Recycle Box" provided by the property management firm. As part of its communication strategy, material exchange was mainly in electronic form to reduce paper use. Other environmental management measures of the Group include:

- Strengthen the awareness of environmental protection of its employees via education;
- Replace energy-intensive lights with LED lights;
- Encourage clients to use electronic invoices;
- Utilising renewable energy sources, such as solar energy, in its daily operation; and
- Posted "Plastic Free", "Non-recyclable Paper Towel" and "Greening X Office" stickers in prominent places.

Looking forward, the Group will continue its effort in practicing environmental sustainability and promoting green office practices to minimise its environmental impacts.



Climate Change

Climate change has been considered as one of the factors, which poses impacts on the entire economic environment. For instance, governments may propose mandates and regulations on existing products and services to cope with climate change, thereby restricting the operations and performances of various industries. Nevertheless, after taking due discussion and consideration, the Group sees that climate change has yet posed any significant acute impact on the Group's daily operations. As such, the Group does not consider climate-related risks and targets to be a priority during its business development and operations at this stage.

The Group's investment strategy is comprised of three pillars, namely core-holding-centred private equity, asset management as well as trading and others. Despite the fact that climate-related risk does not pose acute risks to the Group's operations, the increasingly frequent extreme weather events brought by climate change may lead to potential capital expenditures, capital re-allocation, or divestments in the Group's investees' operations, and thus affects the performance of the Group's investment portfolio. To minimise the impacts of climate change-related risks on the Group's investment portfolio, the Group has been in stable collaboration with external experts to acquire up-to-date climate-related information during the decision-making process. Besides, the Group has established relevant KPIs and a progress tracking system in relation to water consumption, waste management, and GHG emissions to monitor the performance of the Group's investees.

As a leading investment company, the Group has been continuously integrating non-financial factors, such as waste management policies, GHG emissions and labour practices, into its investment assessment process in accordance with the Principles of Responsible Investment, to manage ESG risk and identify investment opportunities. In particular, the Group recruits talents to be its external investment managers who agree with and can implement the concept of responsible investment, so as to lower the Group's exposure to ESG and climate-related risks, and to attain its investment target effectively. More details can be found in "**Responsible Investment**" under "**Social Sustainability**".

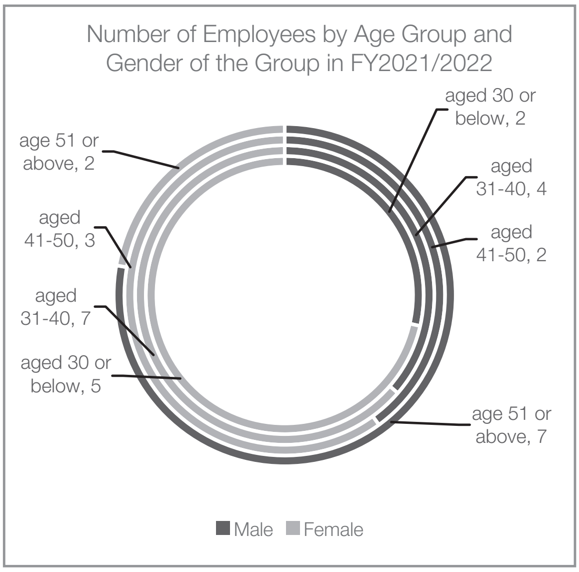
In the future, the Group will strive to maintain its investment in "green" industries to account for not less than 5% of the Company's total investment and will be focusing on intelligent manufacturing, biopharmaceutical ("biopharma") and new energy industries. The new energy industry is strongly believed to benefit from the acceleration of transitioning towards clean energy, which will address the risks posed by energy depletion and climate change and the Group will be unswervingly dedicated to further integrating the mindset and practices of ESG in its business, and continuously creating "green" investment returns for its shareholders.

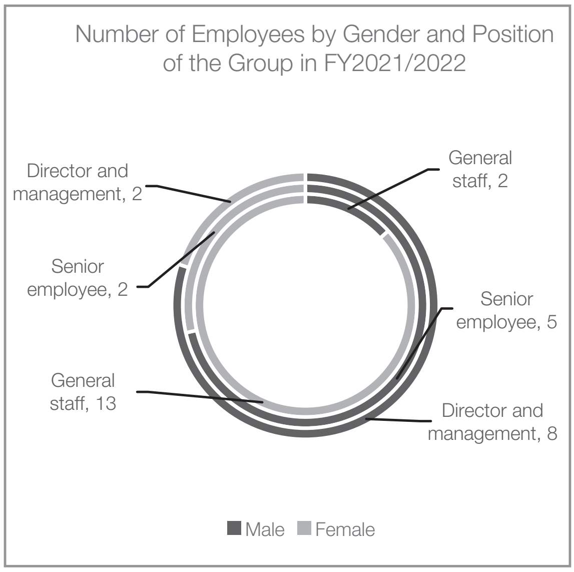
VII. SOCIAL SUSTAINABILITY

Employment and labour practices

Employment

As of 31 March 2022, the total number of employees of the Group was 32, 27 of which were based in Hong Kong and 5 were based in Shenzhen, Mainland China. The Group values its employees and regards them as the key to attaining success and sustainable development in the Group. As part of its corporate sustainability strategy, the Group endeavours to create an inclusive corporate culture with mutual respect and care for its employees. The Group treasures its employees' talents and strives to provide its employees with a suitable platform and working environment for their professional development. The breakdown of the Group's workforce in terms of age, gender and position levels is detailed in Table 3 in the Appendix.





Law compliance

The Human Resources Department of the Group is responsible for reviewing and updating relevant human capital management policies on a regular basis in accordance with the latest applicable laws and regulations. In FY2021/2022, the Group's abided by the relevant laws and regulations, including the following:

- *The Labour Law of the People's Republic of China;*
- *The Employment Promotion Law of the People's Republic of China;*
- *Minimum Wage Standards of the People's Republic of China;*
- *The Labour Contract Law of the People's Republic of China;*
- *The Social Insurance Law of the People's Republic of China;*
- *Employment Ordinance (Cap. 57 of the Laws of Hong Kong);*
- *Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong);*
- *Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);*
- *Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong);*
- *Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong);*
- *Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong); and*
- *Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong).*

Recruitment and promotion

Aiming to create a respectful, inclusive and safe working environment, the Group's employment practices are in strict compliance with its Employee Handbook (員工手冊) and other internal policies, which serve as the Group's core standards in employment. The Group has formulated the "Annual Recruitment Plan", which concludes the position vacancies of each department, and the Human Resources Department is responsible for selecting talents in fulfilment of the Group's business development. Pursuant to the recruitment procedures and principles, the Group offers fair and competitive remuneration and benefits in accordance with the applicants' educational backgrounds, personal attributes, job experiences and career aspirations to attract high-calibre candidates. All new staff will receive an Employee Handbook, with the Group's policies, employment instructions and code of conduct clearly specified. Specifically, as supplemental material to the employment contract, the Employee Handbook details the work requirements in various areas, including probation period, attendance and punctuality, compensation, leaves, ethical and legal responsibilities, etc. To retain high-calibre employees, the Group refers to market benchmarks in relation to staff promotion and provides equal opportunities for promotion and development for eligible employees who have shown outstanding performance and potential in their positions.

Compensation and dismissal

The Group benchmarks the standard of local markets, company performance and economic circumstances, to review and adjust the compensation packages for employees after the Group performs its annual evaluation and appraisal on its employees with respect to their capability, efforts and contributions. In order to attract, retain and incentivise its employees, competitive salary packages and benefit policies are in place. The procedures for adjustment of compensation and termination of employment are based on internal policies of the Group, such as the Employee Handbook. The Group strictly prohibits any kind of unfair or illegitimate dismissal, thereby implementing stringent policies regulating the procedures of dismissal, including verbal warning, warning in writing and termination of employment contracts if necessary. In FY2021/2022, the employee turnover rate of the Group was 37.5%. The breakdown of the Group's employee turnover in terms of age, gender and geographical locations is detailed in Table 4 in the Appendix.

Working hours and rest periods

In compliance with applicable laws and regulations, including The Legal Protection of the Rights and Benefits of the Peasant Workers, Rules of the State Council on Working Hours of Workers and Staff Members, etc, the Group has formulated and followed its Employee Handbook, in which clearly defines the working hours and rest periods for its employees. The Group advocates the balance between work and life, and strives to maintain a schedule under which its employees are encouraged to take rest breaks between work. The Group believes working long hours continuously without any break causes fatigue as well as safety and health problems. As such, the Group has established a clock-in system to monitor its employees' working hours and rest period, while additional days off or extra pay are given to those employees who have worked overtime.

In addition to basic annual leave and statutory holidays, the employees of the Group are also entitled to extra leave benefits, such as marriage leave, maternity leave, paternity leave, compassionate leave as well as study and examination leave.

Equal opportunity, diversity and anti-discrimination

As an equal opportunity employer, the Group strictly prohibits any discrimination and promotes equality in the workplace through its human resources and employment decisions. The Group makes its decisions in hiring, training, promotion opportunities, dismissal and retirement policies based on factors irrespective of its employees' age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality, religion or any other non-job-related factors in all business unit of the Group. Having zero tolerance in relation to any workplace discrimination, harassment or vilification in accordance with local ordinances and regulations, the Group encourages its employees to report any incidents involving discrimination to the Human Resources Department of the Group, which takes the responsibility for assessing, dealing with, recording and taking any necessary disciplinary actions in relation to the substantiated cases.

Other benefits and welfare

Since its inception, the Group has attached great importance to the well-being of its employees. On top of the five-day workweek, flexible leave application, annual dinner and parties, the Group has purchased various social insurance items stipulated by relevant laws and regulations such as the "five insurances and housing provident fund" (五險一金) for its employees in Mainland China and the Mandatory Provident Fund Scheme (MPF) and medical insurance for its employees in Hong Kong. The Group works on building a "Breastfeeding Friendly Workplace" by providing adequate supporting mechanisms that allow for optimal breastfeeding practices. The Group participated in the "Family-friendly Employers Awards Scheme" organised by the Family Council and was an awardee of the "Family-friendly Employers" label. In FY2021/2022, given the social distancing rules under the pandemic, the Group postponed or cancelled its activities for the sake of its employees' health.

In FY2021/2022, the Group was in compliance with the relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

Health and Safety

As part of its corporate commitment, the Group strives to create and maintain a healthy and safe workplace for its employees, and in particular, commits to addressing any exposures of its employees to occupational health and safety risks. In FY2021/2022, the Group was in compliance with relevant laws and regulations in relation to health and safety protection, including the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and Occupational Safety and Health Ordinance (Cap 509 of the Laws of Hong Kong).

The Group has strictly implemented its OHS (Occupational Health and Safety) policies as clearly specified in the Employee Handbook in line with material relevant laws and regulations, to provide a secure, clean and environmentally friendly working environment for its employees. Adhering to the instructions of Occupational Health and Safety Management Systems (ISO 45001: 2018), under the supervision of the Human Resources Department, the Group has rigorously implemented its internal policies and taken the following measures in particular:

- Ensured employees' desk setup is ergonomic;
- Encouraged employees to take regular breaks and lower overall sedentary exposure;
- Arranged emergency response drills and safety meetings regularly;
- Maintained and cleaned the air-conditioning systems regularly;
- Promoted the "5S" concept in workplace management;
- Ensured the ventilation in the offices complies with the guidelines and standards of the building;
- Organised professional disinfection of carpets; and
- Prohibited smoking and drinking liquor in the workplace.

The Group attaches great importance to the health of its employees, and thus all full-time employees of the Group are entitled to medical plans covering out-patient clinical visits, hospitalisation, dental check-ups and surgical treatment. Besides, the Group had upgraded the medical to provide wider coverage, such as body check-ups, vaccinations and vision care, and increased the upper limit of each claim of dental consultation. The Group has also partnered with the insurance service provider to adopt an e-claim mobile application. The Group has developed a response mechanism to deal with any emergency, by providing immediate support for the injured, launching investigations to examine root causes and taking corrective actions to avoid recurrence.

Response to the COVID-19 Pandemic

In 2021, the pandemic was getting relieved slowly, and the livelihoods and businesses were gradually resumed. Nevertheless, the Group remains vigilant regarding the prevention and control of the virus. The Group, under the guidance of the Centre for Health Protection, has formulated and stringently implemented a series of epidemic prevention and control guidelines and measures. To prevent and reduce the risks of virus transmission at the workplace, the Group arranged for its employees in different positions to work from home and allowed for flexible working hours. The Group has purchased rapid antigen test kits for its employees, only the employees who tested negative can work at the office, so as to safeguard the hygiene and safety within the office. Moreover, the Group supported and strictly conformed to the requirements of the property building in epidemic prevention and control, encouraging its employees to download and use the App of "LeaveHomeSafe". Other requirements of the Group to protect the health of its employees included but were not limited to:

- Employees should check their body temperature before going to work;
- Employees who feel unwell should seek medical treatment as soon as possible;
- Employees should maintain good personal and environmental hygiene habits at all times, such as washing hands with liquid soap and water, and rubbing for at least 20 seconds; and
- Employees should wear masks when taking public transport or staying in crowded places.

In FY2021/2022, the Group had zero work-related fatalities and zero work-related injuries recorded, leading to no lost days due to work injury. During the year under review, the Group was not in violation of material relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that may have a significant impact on the Group.

Development and Training

The Group sees its employees as its precious assets, and endeavours to formulate training programmes to strengthen its employees' capability and competitiveness. To address the deficiency in knowledge and professional skillsets of its employees, the Group encourages and supports its employees to further improve and develop their job-related skills and knowledge for career development through taking courses with recognised institutions.

In order to enhance its employees' professional competence to further strengthen the Group's core competitiveness in the market, the Group has been committed to designing and providing suitable training programmes to its employees in accordance with their job nature. The Group has covered the introduction to industry background, professional knowledge and skillsets, laws and regulation in its training programmes. For instance, in October 2021, the Group launched a one-hour seminar named "Capital Market Industry Analysis" with 23 employees participating in. In November 2021, the Group organised a talk, which lasted for 1.5 hours, introducing the quantitative investment strategies with 24 employees participating.

Given the business nature of the Group, it is crucial for its employees to keep updated with the latest regulatory requirements and significant changes to the economic market. Therefore, the employees of the Group are highly encouraged to take professional qualification examinations and enrol in external training programmes to further equip themselves with professional knowledge. Employees who have taken professional qualification examinations and obtained vocational qualification certificates relevant to their roles in the Group will receive reimbursements from the Group. A copy of the "Examination & Training Reimbursement Form" can be obtained from the HR Manager with a list of pre-approved examinations and procedures of reimbursement.

During the reporting year, the Group provided a total of 234 hours of training for its employees including general staff, senior employees, management, and directors. The breakdown of the Group's training information in terms of gender, employee category and training hours is detailed in Tables 6 and 7 in the Appendix.

Labour Standards

Being a socially responsible enterprise, the Group is committed to respecting and protecting labour rights. In FY2021/2022, the Group was in strict compliance with applicable laws and regulations, including the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), to prohibit any child and forced labour employment. To combat illegal employment of child labour, underage workers and forced labour, job applicants are required to provide valid identity documents and other material including academic transcript, qualification/professional certificates and photos to the Human Resources Department, to ensure that they are lawfully employable prior to the confirmation of the employment according to the requirements in the Employee Handbook, as part of mandatory procedures for recruitment. The Human Resources Department is responsible for monitoring and keeping the compliance of corporate policies and practices with relevant laws that prohibit child labour and forced labour. Once the Group finds any case against labour standards, a report will be made to the police and the employment will be immediately terminated.

In FY2021/2022, the Group was not in violation of any relevant laws and regulations, in relation to the prevention of child and forced labour that have a significant impact on the Group.

OPERATING PRACTICES

Supply Chain Management

Given the business nature, the Group partnered with a handful of suppliers and service providers for office supplies or technical support during the year under review. In order to effectively identify and address underlying environmental and social risks in the Group's supply chain, the Group has established internal policies for managing its supply chain. The Administrative Department is responsible for monitoring the selection of suppliers and overseeing the procurement process. During the selection of suppliers, the Administrative Department takes into account a series of criteria, including the reputation of suppliers, service/product quality, environmental management performance, cost, production and technical capacity, the business track record for the past 3 years, economic disputes history with the Group and regulation compliance into the suppliers' evaluation before entering into the agreement.

In order to minimise the environmental and social risks in its supply chain, the Group requires its suppliers to comply with the applicable laws and regulations. The Administrative Department is responsible for performing inspections or audits on its suppliers regarding their environmental performance and labour practices and evaluating their legality and quality of supplies or service on a regular basis. Those suppliers who fail to comply with the Group standards will be blacklisted. The Group continues its cooperation with those suppliers who are reviewed and approved by the Administrative Department.

The Group has integrated the concept of "Green Procurement" into its procurement practices and gives priority to eco-friendly products. For example, the Group prioritises local suppliers in collaboration, which it believes can minimise the environmental footprint of products during transportation, while boosting local economic benefits. In FY2021/2022, the Group was in a stable cooperation with 6 suppliers and service providers located in Mainland China for its office supplies and technical support. The supplier engagement and management policies mentioned above cover all the suppliers and service providers of the Group.

Product Responsibility

In FY2021/2022, the Group abided by the applicable relevant rules, regulations and standards that have a significant impact on the Group with regard to health and safety, advertising, labelling and privacy matters with respect to its operations and services and methods of redress, including the following:

- *Main Board Listing Rules;*
- *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;*
- *Code on Takeovers and Mergers and Share Buy-backs;*
- *Companies Act (2021 Revision), Laws of Cayman Islands;*
- *Company Law of the People's Republic of China;*
- *Securities Law of the People's Republic of China;*
- *Trust Law of the People's Republic of China;*
- *Contract Law of the People's Republic of China;*
- *Companies Ordinance (Cap. 622 of the Laws of Hong Kong);*
- *Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);*
- *Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong); and*
- *Consumer Council Ordinance (Cap. 216 of the Laws of Hong Kong).*

Given the Group's business nature, the Group does not provide services or products to any customers during its business operations. The Group regarded the health and safety of its products/services, complaints handling, customer privacy, recalling procedures, intellectual property rights and labelling-related issues as not applicable to the Group in accordance with the principle of materiality, thereby not being discussed in this section. During the Year under review, the Group did not receive any complains nor have any recalls for health and safety reason.

Advertising and marketing

To ensure its advertising material is in strict compliance with applicable laws and regulations, including the Advertising Law of the People's Republic of China, the Group has formulated its internal policies to stringently prohibit any false or exaggerated publicity. Advertising material is arranged by Investor Relations Department and reviewed and approved by the management and Legal and Compliance Department before its publication. Immediate corrective measures will be implemented to rectify advertising material, once the advertising material is found to have misrepresentation or exaggeration that is in violation of the Group's internal policies.

Protecting data and security

To assure the security of data, the Group has taken practical physical, administrative and technical measures to safeguard the Closed-Circuit Television ("CCTV") record, which is used to facilitate access security improvement, property security improvement and computer security improvement.

To avoid the exposure risk of the Group to data breaches or confidential information leakage, the Group has strictly implemented its internal policies to regulate the procedures and requirements in handling and protecting confidential information. For instance, files containing confidential information are required to be carried in a briefcase when outside the office. Besides, the Group has encrypted access to all desktop computer terminals or computer records to ensure the confidential information is securely protected.

During the year under review, there were no incidents concerning the leakage of confidential or sensitive data happened.

Responsible investment

Under the overarching 14th Five-Year Plan of China highlighting the development of green finance to accelerate the green and low carbon transformation of the national economy, the Group has integrated non-financial factors into its existing investment process to keep align with the national advocacy. The Group believes that it helps not only allocate capital to the market segments dedicated to solving the most pressing problems around the globe, but also plays a role in funnelling investment opportunities and analysing the growth potential and risks of the investees and investment targets.

The Group adopts a two-way approach upholding its investment activities, namely "top-down" and "bottom-up". Specifically, the management identifies investment opportunities, performs research and due diligence with the investment team and an investment recommendation report is prepared for the Investment Review Committee for approval. As for the investment opportunities spotted by the investment team, the team needs to conduct an in-depth analysis and prepare a comprehensive report for management approval, followed by procedures including due diligence, investment recommendation report and approval of the Investment Review Committee. The amount of investment and whether an investment constitutes a connected transaction are the major factors determining if the investment needs to be reported to the Board who is responsible for decision-making.

The Group follows the employment ordinances in Hong Kong in the selection of external investment managers. Besides, the Group performs thorough due diligence of the candidates' techniques and capability, and specifically, requires the investment managers to:

(1) Possess good performance in investment management with no records of violations of laws or regulations; and

(2) Comply with relevant laws and regulations in relation to anti-corruption and anti-money laundering.

Screening is one of the several widely used tools that aid investment managers to implement a responsible investment policy. The Group has adopted two ways of screening with clear criteria:

- Positive screening: Giving priority to those investment projects with positive environmental, social and economic impacts in due diligence, evaluations and calculations, such as clean and new energy industry.

- Negative screening: Ruling out those industries and companies come with significant ESG-related risks, for example, military, tobacco and gambling industries.

The Group targets its investment in "green" industries to account for not less than 5% of the Company's total investment. The Group has taken ESG factors into due consideration for its investment plan in accordance with Principles for Responsible Investment, and has partnered with and invested in "green" and "socially responsible" projects and companies engaged in businesses related to sustainability, such as medical and health, environment and industrials, in the past few years.

In 2017, the Group was in collaboration with Beijing Enterprises Water Group ("BEWG") to facilitate the establishment of BE Financial Service (Beijing) Investment Holdings Limited ("BEFS"). Through the establishment of BEFS, the Group has emphasized the improvement of water recycling and the aquatic environment to continuously contribute to the environment.

In 2019, the Group was also concerned about hazardous waste management, thereby investing in Dexing Yifeng Regeneration Non-Ferrous Metal Co., Ltd. (德興市益豐再生有色金屬有限責任公司) ("Yifeng"), an environmentally friendly technology-based enterprise engaged in resource regeneration which focuses on circular economy. Yifeng currently has 3 practical independent patents and one engineering technology research centre and its leading project is "Harmless Treatment of Waste Residues and Comprehensive Recovery and Recycling of Polymetallic Materials" (廢渣無害化及多金屬綜合回收循環利用) which promotes the resource circularity and copes with hazardous waste residues.

In FY2019/2020, the Group determined to purchase a total of 63,202,590 shares, or 19.9% of the total capital of Dagang Holding Group Co. Ltd. ("Dagang Holding Group"). Dagang Holding Group has developed into a comprehensive high-tech enterprise specialising in high-end road equipment R&D and manufacturing, urban road smart operation and maintenance, and comprehensive recycling of hazardous waste and solid waste. Dagang Holding Group has penetrated into the environmental protection industry beyond its existing business and acquired 52% of the total equity of Zhongde Environmental Science And Technology Co. Ltd. (眾德環保科技有限公司) in 2019, which engages in non-ferrous metal recycling based in Hunan Province, China.

Since 2020, COVID-19 has posed unprecedented impacts on the global economy, which restricts economic activities and triggered large-scale economic stimulus policies by central banks of various countries and economies. The intense efforts to address the pandemic have greatly enhanced the public perception of the biopharma industry and brought about growing attention from society to the development of the healthcare segment. In terms of equity investment, the Group aims to facilitate the development of the healthcare industry to protect people's wellbeing via investment. In 2018, the Group invested in iCarbonX which is a global pioneer in artificial intelligence ("AI") and precision health management as one of its core holding companies. iCarbonX has been deeply concerned with the outbreak of the pandemic since January 2020 and its COVID-19 neutralizing antibody test kit has received the CE Mark certification as at the end of 2020. In order to ease the workload of local hospital of conducting tests, iCarbonX's newly established Shenzhen Weiban Medical Test Lab (深圳微伴醫學檢驗實驗室) in Mainland China, which has been approved by Shenzhen government for conducting COVID-19 test for people who need a testing results report to travel or work.

Anti-Corruption

Considering honesty, integrity and fairness as its core values that must be upheld by all directors and staff of the Group at all times, the Group has been dedicated to maintaining a fair, ethical and efficient working environment. During the year under review, the Group was not in violation of any applicable laws and regulations relating to anti-corruption and bribery, irrespective of the region where the Group operates, including:

- Anti-corruption Law of the People's Republic of China;
- Law of the People's Republic of China on Anti-money Laundering;
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong); and
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

Having zero tolerance for all forms of bribery and corruption, the Group has formulated and strictly enforced its anti-corruption policies, including the Investment Compliance Assessment Form, Declaration of Relationship with Listed Companies and/or Listing Applicants, Anti-money Laundering Risk Assessment Form, Investment Management Form and Policy on Acceptance of Advantage and Handling of Conflict of Interest, which clearly specifies the requirements under prevention of bribery, acceptance of advantage, offer of advantage, conflict of interest, misuse of official position and company information, etc, to prevent any misconducts or malpractices. The Group strictly followed the guidelines issued by the Securities & Futures Commission, requiring all its employees to make a declaration of interests for those accounts in which they or their associates have beneficial interests and report all such transactions to the Group. The directors and Compliance Department of the Group are responsible for establishing and overseeing the internal control system.

The Group values its employees' concerns regarding suspected misconduct or malpractice. Therefore, employees are encouraged to report verbally or in writing to their superior manager, the Company Secretary, or the Audit Committee of the Group for the suspected misconduct with full details and supporting evidence. The Audit Committee will conduct investigations against suspicious or illegal behaviour to protect the Group's interests. Striving to keep whistle-blower's identities confidential, the Group has established an effective grievance mechanism to protect the whistle-blowers from unfair dismissal or victimisation. Where criminality is suspected, a report will be made promptly to the relevant regulators or law enforcement authorities when the management considers it necessary.

Over the years, the Group has encouraged and required its employees to receive certain hours of anti-corruption training to enhance their anti-corruption awareness. During the year under review, the Group organised 2 seminars, in which all of the Group's employees participated. In FY2021/2022, no concluded legal cases regarding corrupt practices were brought against the Group or its employees. The Group was in compliance with relevant laws and regulations relating to bribery, extortion, fraud, and money laundering that have a significant on the Group during the year under review.

Community Investment

Endeavouring to practice its corporate citizenship, the Group has been leveraging its strength to address the pressing social challenges and livelihood issues since its inception. During the year under review, the Group entered into a service agreement with the Financial Centre for South-South Cooperation Limited (FCSSC), from which, FCSSC provided the Group a range of service in terms of ESG development, including arranging on-site inspections and negotiation and collaboration of energy project.

To promote the idea of impact investment and to showcase the cooperation projects of the Group with FCSSC, the Director-General of FCSSC, Dr. WU Zhong, who was also the Group's former Non-executive Director, was invited to attend several forums and conferences regarding impact investment and ESG investment such as the 4th Impact Investment Roundtable Conference, the International Forum for China Impact Investing 2021 as well as the 11th ESG Investing Frontiers. The Group made good use of the opportunities during these events to share with different corporate representatives its endeavours on ESG and impact investing.

Over the years, the Group has been engaging its directors, management and staff in contributing to the improvement of the well-being of community groups and will specifically further its support on tackling the environmental issues encountered by the community. The Group plans to make donations for improving the living environment in which communities it operates. Yet, the Group postponed or cancelled many community activities in response to the local anti-pandemic social distancing rules.

Looking forward, the Group will unswervingly fulfil its social responsibility, actively support the development and wellbeing of its local communities and explore more opportunities to create value for the society for the sake of constructing a caring and sustainable community.

VIII. ENDING

In 2021, the globe is ready to get rid of the catastrophic impacts of the pandemic and back on the right track. Along with the increasing social attention on the sustainability topics, including climate change, societal welfare, labour rights and environmental commitment, the Group will keep benchmarking sound ESG practices in the market and relentlessly integrate sustainability into its long-term business development strategy and roadmap to practice its corporate social responsibility.

APPENDIX

Table 1 — The Group's Total Emissions by Category in FY2021/2022 and FY2020/2021[5]

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2021/2022	Intensity[1] (Unit/Floor Area m^2) in FY2021/2022	Amount in FY2020/2021[2]	Intensity[2] (Unit/Floor Area m^2) in FY2020/2021
Air Emissions	SO_x	Kg	**0.10**	**–**	0.13	–
	NO_x	Kg	**2.94**	**–**	4.67	–
	PM	Kg	**0.22**	**–**	0.34	–
GHG Emissions	Scope 1 (Direct Emissions)[3]	Tonnes of CO_2e	**18.09**	**–**	23.30	–
	Scope 2 (Energy Indirect Emissions)[4]	Tonnes of CO_2e	**50.91**	**–**	58.27	–
	Total (Scope 1 & 2)	Tonnes of CO_2e	**69.00**	**0.05**	81.57	0.06
Non-Hazardous Waste	Wastewater	m^3	**214.00**	**0.17**	210.00	0.16

1 Intensity for FY2021/2022 was calculated by dividing the amount of emissions by the Group's floor areas of operations in FY2021/2022, which was around 1,293 m^2;

2 The amount and intensity in FY2020/2021 were extracted from the ESG report set out in the Group's annual report for FY2020/2021;

3 The Group's Scope 1 (Direct Emissions) included only the consumption of unleaded gasoline in motor vehicles;

4 The Group's Scope 2 (Energy Indirect Emissions) only included only electricity consumption;

5 The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG Report? — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong and the 2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories.

Table 2 — Total Resource Consumption in FY2021/2022 and FY2020/2021

Use of Resources	Key Performance Indicator (KPI)	Unit	Amount in FY2021/2022	Intensity[1] (Unit/Floor Area m^2) in FY2021/2022	Amount in FY2020/2021[2]	Intensity[2] (Unit/Floor Area m^2) in FY2020/2021
	Electricity	kWh'000	**71.71**	**0.06**	72.84	0.06
Energy	Unleaded Gasoline	L	**6,800.96**	**5.26**	8,761.55	6.78
	TOTAL[3]	kWh'000	**137.62**	**0.11**	157.75	0.12
Water	Water[4]	m^3	**214.00**	**0.17**	210.00	0.16
Paper	Paper	Kg	**378.96**	**0.29**	632.51	0.49

1 Intensity for FY2021/2022 was calculated by dividing the amount of resources the Group has consumed in FY2021/2022 by the Group's floor areas of operations in FY2021/2022, which was around 1,293 m^2;

2 The amount and intensity in FY2020/2021 were extracted from the ESG report set out in the Company's annual report for FY2020/2021;

3 The methodology adopted for energy conversion and calculation conversion factors set out above was based on "How to Prepare an ESG Report? — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange; and

4 Given no record of water consumption was provided by the property management company of the building during the year under review, the amount of water withdrawal was based on the estimation of water consumption per capita per day.

Table 3 — Number of Employees by Age Group, Gender, Employment Type and Position Level of the Group in FY2021/2022[1]

Unit: Number of employees	Age group				
Gender	**Aged 30 or below**	**Aged between 31 and 40**	**Aged between 41 and 50**	**Aged 51 or above**	**Total**
Male	2	4	2	7	15
Female	5	7	3	2	17
Total	7	11	5	9	32

	Position Level			
Gender	**General staff**	**Senior employees**	**Director and management**	**Total**
Male	2	5	8	15
Female	13	2	2	17
Total	15	7	10	32

Employment type		
Full time	**Part time**	**Total**
32	0	32

Geographical Locations		
	Locations	
Mainland China	**Hong Kong**	**Total**
5	27	32

1 The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report? — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table 4 — Employee Turnover Rate by Age Group, Gender and Geographical Locations in FY2021/2022[1]

Unit: Number of employees	**Age group**				
Gender	**Aged 30 or below**	**Aged between 31 and 40**	**Aged between 41 and 50**	**Aged 51 or above**	**Total**
Male	0	2	1	2	5
Employee turnover rate (percentage)	0.0%	50.0%	50.0%	28.6%	33.3%
Female	2	3	2	0	7
Employee turnover rate (percentage)	40.0%	42.9%	66.7%	0.0%	41.2%
Total	2	5	3	2	12
Total employee turnover rate (percentage)	28.6%	45.5%	60.0%	22.2%	37.5%

Geographical locations		
Locations	**Employee turnover**	**Employee turnover rate (percentage)**
Hong Kong	10	37.0%
Mainland China	2	40%

1 The turnover data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employees who left the Group in FY2021/2022 by the number of employees in FY2021/2022. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report? — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table 5 — Number and Rate of Work-related Fatalities of the Group in Past Three Financial Years[1]

Year	**FY2019/2020**	**FY2020/2021**	**FY2021/2022**
Number of work-related injuries or fatalities	0	0	0
Rate of injuries or fatalities (per hundred workers)	0	0	0
Lost days due to work injury	0	0	0

1 The injury and fatality information was obtained from the Group's Human Resources Department. The methodology adopted for reporting the number and rate of work-related fatalities set out above was based on "How to Prepare an ESG Report? — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Table 6 — Number and Percentage of Employees Trained in the Group by Gender and Position Level in FY2021/2022[1]

Total number of employees	32
Total number of employees trained	36
Total percentage of employees trained [2]	112.5%

Unit: Number of employees	Position Level			
Gender	**General staff**	**Senior employees**	**Director and management**	**Total**
Male	4	5	8	17
Percentage of employees trained	11.1%	13.9%	22.2%	47.2%
Female	15	2	2	19
Percentage of employees trained	41.7%	5.6%	5.6%	52.8%
Total	19	7	10	
Percentage of employees trained	52.8%	19.4%	27.8%	

1 The training information was obtained from the Group's Human Resources Department. Training refers to the vocational training that the Group's employees attended in FY2021/2022. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report? — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange; and

2 Since the training records of the employees who left the Group in FY2021/2022 are also included in the calculation, the number of employees trained at the financial year end is higher than the number of employees as at the year end, which leads to a training percentage higher than 100%.

Table 7 — Training Hours Completed in the Group by Gender and Position Level in FY2021/2022[1]

Unit: Training Hours	Position Level			
Gender	**General staff**	**Senior employees**	**Director and management**	**Total**
Male	17	35.5	62.5	115
Average training hours	8.5	7.1	7.8	7.7
Female	85	17	17	119
Average training hours	6.5	8.5	8.5	7
Total	102	52.5	79.5	234
Average training hours	6.8	7.5	8.0	7.3

1 The training information was obtained from the Group's Human Resources Department. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report? — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

REPORT DISCLOSURE INDEX

Aspects	ESG Indicators	Description	Page
A. Environmental			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	58
	KPI A1.1	The types of emissions and respective emissions data.	76
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	76
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	58
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	76
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	59
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	59

Aspects	ESG Indicators	Description	Page
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	60
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	77
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	77
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	61
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	60, 61
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	60
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	62
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	62
Aspect A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	63
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	63

Aspects	ESG Indicators	Description	Page
B. Social			
Employment and Labour Practices			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	65
	KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	77
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	78
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	68
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	78
	KPI B2.2	Lost days due to work injury.	78
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	68
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	69
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	79
	KPI B3.2	The average training hours completed per employee by gender and employee category.	79
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	70
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	70
	KPI B4.2	Description of steps taken to eliminate such practices when discovered	70

Aspects	ESG Indicators	Description	Page
Operating Practices			
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	70
	KPI B5.1	Number of suppliers by geographical region.	70
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	70
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	70
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	70
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	71
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	71
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	71
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	71
	KPI B6.4	Description of quality assurance process and recall procedures	71
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	71

Aspects	ESG Indicators	Description	Page
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	74
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	74
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	74
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	74
Community			
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	75
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	75
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	75

INDEPENDENT AUDITOR'S REPORT

中汇
ZHONGHUI

TO THE SHAREHOLDERS OF
WEALTHKING INVESTMENTS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Wealthking Investments Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 88 to 155, which comprise the consolidated statement of financial position as at 31 March 2022, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

Investments at fair value through profit or loss

Refer to Notes 6 and 20 to the consolidated financial statements.

The Group measured its investments at fair value through profit or loss with the changes in fair value recognised in the consolidated profit or loss. This fair value measurement is significant to our audit because the balances of investments at fair value through profit or loss using level 3 fair value measurement of HK$4,233,989,000 as at 31 March 2022 is material to the consolidated financial statements. In addition, the Group's fair value measurement involves application of judgement and is based on assumptions and estimates.

KEY AUDIT MATTERS (Continued)

Investments at fair value through profit or loss (continued)

Our audit procedures included, among others:

— Assessing the competence, independence and integrity of the external valuer engaged by client;

— Obtaining the external valuation reports and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgements and assumptions applied in the valuation model;

— Checking key assumptions and input data in the valuation model to supporting evidence;

— Checking arithmetical accuracy of the valuation model; and

— Assessing the disclosure of the fair value measurement in the consolidated financial statements.

We consider that the Group's fair value measurement of the investments at fair value through profit or loss using level 3 fair value measurement is supported by the available evidence.

Debt investments

Refer to Note 21 to the consolidated financial statements.

The Group tested the amount of debt investments for impairment. This impairment test is significant to our audit because the balance of debt investments of HK$616,093,000 as at 31 March 2022 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

— Evaluating the Group's impairment assessment;

— Assessing the financial information of the debt investments;

— Obtaining and checking to evidence to support the Group's impairment assessment;

— Checking subsequent settlements from the debtors;

— Assessing the value of the collateral for the debts;

— Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements;

— Assessing the competence, independence and integrity of the external valuer engaged by client;

— Obtaining the external valuation reports and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;

— Checking key assumptions and input data in the valuation model to supporting evidence; and

— Checking arithmetical accuracy of the valuation model.

We consider that the Group's impairment test for debt investments is supported by the available evidence.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, 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 requirement of the 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.

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, 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:
http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited
Certified Public Accountants
Yeung Hong Chun
Audit Engagement Director
Practising Certificate Number P07374

Hong Kong, 24 June 2022

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	7	**271,503**	624,258
Revenue	7	**93,929**	110,522
Other income		**1,302**	1,885
Net change in unrealised (loss)/gain on investments at fair value through profit or loss arising from			
— listed investments		**(135,915)**	242,953
— unlisted investments		**(130,465)**	562
		(266,380)	243,515
Net realised gain/(loss) on disposal/distribution of investments arising from			
— listed investments		**5,197**	(94,534)
— unlisted investments		**95**	(24,159)
		5,292	(118,693)
Net change in unrealised gain on financial liabilities at fair value through profit or loss		**2,011**	3,018
Realised loss on financial liabilities at fair value through profit or loss		**–**	(20,930)
Gain on disposal of an associate		**–**	20,546
Reversal of provision for expected credit losses		**460,367**	74,709
Operating and administrative expenses		**(49,476)**	(62,136)
Operating profit		**247,045**	252,436
Finance costs	9	**(34,563)**	(25,045)
Share of profits of associates and joint venture		**4,678**	149,278
Profit before tax		**217,160**	376,669
Income tax credit/(expense)	10	**4,113**	(4,113)
Profit for the year attributable to owners of the Company	11	**221,273**	372,556
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**35,082**	36,982
Share of associates'			
— Surplus reserve		**–**	(50)
— Exchange differences on translating foreign operations		**1,241**	517
Other comprehensive income for the year, net of income tax		**36,323**	37,449
Total comprehensive income for the year attributable to owners of the Company		**257,596**	410,005
Earnings per share (HK$)	14		
— Basic		**0.06**	0.13
— Diluted		**0.06**	0.13

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
ASSETS			
Non-current assets			
Equipment	15	**5,382**	10,043
Right-of-use assets	16	**26,686**	46,880
Intangible assets	17	**782**	–
Investments in associates and joint ventures	19	**688,650**	705,023
Investments at fair value through profit or loss	20	**4,002,039**	1,335,687
Debt investments	21	**–**	292,473
Prepaid consideration	23	**449,779**	–
		5,173,318	2,390,106
Current assets			
Investments at fair value through profit or loss	20	**1,215,826**	2,342,097
Debt investments	21	**616,093**	256,900
Accounts and loans receivables	22	**263,381**	269,778
Interest receivables		**50,231**	24,696
Prepayments, deposits and other receivables	24	**15,968**	18,104
Pledged bank deposits	25	**20,000**	–
Bank and cash balances	25	**86,396**	66,607
		2,267,895	2,978,182
TOTAL ASSETS		**7,441,213**	5,368,288
EQUITY AND LIABILITIES			
Equity			
Share capital	32	**406,132**	290,094
Reserves	34	**5,122,112**	4,237,085
Total equity		**5,528,244**	4,527,179

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
Liabilities			
Current liabilities			
Accounts payables	26	**57**	210,632
Other payables	27	**19,180**	26,287
Financial liabilities at fair value through profit or loss	28	**2,879**	6,331
Borrowings	29	**1,844,969**	528,603
Lease liabilities	30	**23,605**	29,635
Current tax liabilities		**14,678**	14,678
		1,905,368	816,166
Net current assets		**362,527**	2,162,016
Non-current liabilities			
Financial liabilities at fair value through profit or loss	28	**1,676**	917
Lease liabilities	30	**5,925**	19,913
Deferred tax liabilities	31	**–**	4,113
		7,601	24,943
Total liabilities		**1,912,969**	841,109
TOTAL EQUITY AND LIABILITIES		**7,441,213**	5,368,288
NET ASSETS		**5,528,244**	4,527,179
Net asset value per share	35	**HK$1.36**	HK$1.56

The consolidated financial statements on pages 88 to 155 were approved and authorised for issue by the board of directors on 24 June 2022 and signed on its behalf by:

LIU Zhiwei
Director

CHEN Yuming
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	Attributable to owners of the Company						
	Share capital	Reserves					
	Issued capital HK$'000	Share premium HK$'000	Share-based payment reserve HK$'000	Surplus reserve HK$'000	Exchange reserve HK$'000	(Accumulated losses)/ retained profits HK$'000	Total HK$'000
At 1 April 2020	290,094	4,674,804	48,718	515	(13,466)	(886,220)	4,114,445
Total comprehensive (expense)/income for the year	–	–	–	(50)	37,499	372,556	410,005
Share-based payments (note 36)	–	–	2,729	–	–	–	2,729
Forfeiture of share options	–	–	(4,567)	–	–	4,567	–
Changes in equity for the year	–	–	(1,838)	(50)	37,499	377,123	412,734
At 31 March 2021	290,094	4,674,804	46,880	465	24,033	(509,097)	4,527,179
At 1 April 2021	**290,094**	**4,674,804**	**46,880**	**465**	**24,033**	**(509,097)**	**4,527,179**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**36,323**	**221,273**	**257,596**
Issue of shares (note 32)	**116,038**	**626,603**	**–**	**–**	**–**	**–**	**742,641**
Share-based payments (note 36)	**–**	**–**	**828**	**–**	**–**	**–**	**828**
Forfeiture of share options	**–**	**–**	**(32,739)**	**–**	**–**	**32,739**	**–**
Changes in equity for the year	**116,038**	**626,603**	**(31,911)**	**–**	**36,323**	**254,012**	**1,001,065**
At 31 March 2022	**406,132**	**5,301,407**	**14,969**	**465**	**60,356**	**(255,085)**	**5,528,244**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	2022 HK$'000	2021 HK$'000
Cash flows from operating activities		
Profit before tax	**217,160**	376,669
Adjustments for:		
Dividend income	**(2,654)**	(1,065)
Interest revenue	**(91,275)**	(109,457)
Finance costs	**34,563**	25,045
Net foreign exchange gains	**(4,693)**	(22,279)
Depreciation	**37,400**	36,382
Non-cash service fee expenses	**3,195**	3,388
Loss on disposal of equipment	**157**	–
Gain on disposal of an associate	**–**	(20,546)
Net realised (gain)/loss on disposal of investments	**(5,292)**	118,693
Realised loss on financial liabilities at fair value through profit or loss	**–**	20,930
Net change in unrealised loss/(gain) on investments at fair value through profit or loss	**266,380**	(243,515)
Net change in unrealised gain on financial liabilities at fair value through profit or loss	**(2,011)**	(3,018)
Reversal of provision for expected credit losses	**(460,367)**	(74,709)
Share of profits of associates and joint venture	**(4,678)**	(149,278)
Equity-settled share-based payments	**828**	2,729
Operating loss before changes in working capital	**(11,287)**	(40,031)
Change in accounts and loans receivables	**(8,940)**	789
Change in prepayments, deposits and other receivables	**(1,091)**	(7,606)
Change in accounts and other payables	**(7,140)**	(7,203)
Net cash used in operating activities	**(28,458)**	(54,051)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	2022 HK$'000	2021 HK$'000
Cash flows from investing activities		
Purchase of investments at fair value through profit or loss	**(2,144,598)**	(817,166)
Prepaid consideration for investments	**(450,000)**	(77,128)
Subscription of debt investments	**(745,655)**	–
Purchases of equipment	**(1,794)**	(13)
Proceeds from disposal of equipment	**15**	–
Purchases of intangible assets	**(5,782)**	–
Proceeds from disposal of intangible assets	**5,000**	–
Net proceeds on disposal of listed securities	**38,148**	307,273
Proceeds on settlement of debt investments	**994,963**	607,332
Distribution/disposal from unlisted investments	**138,534**	127,327
Distribution/disposal form unlisted debts	**778**	–
Loans to third parties	**–**	(235,300)
Repayments of loans to third parties	**48,481**	–
Interest received	**90,543**	36,906
Dividends received	**43,528**	58,728
Distribution/redemption of unlisted investment funds	**322**	2,681
Consideration received from co-investment partners	**780**	–
Payments to investment partners	**(1,466)**	(44,043)
Acquisition of an associate and a joint venture	**(31,607)**	–
Proceeds received from disposal of an associate	**–**	67,116
Net cash (used in)/generated from investing activities	**(2,019,810)**	33,713
Cash flows from financing activities		
Increase in pledged bank deposits	**(20,000)**	–
Repayment of borrowings	**(227,000)**	(818,408)
Drawdown of borrowings	**1,629,948**	834,108
Payment for principal portion of lease liabilities	**(31,256)**	(28,339)
Lease interests paid	**(2,131)**	(3,007)
Loan interests paid	**(24,145)**	(14,797)
Proceeds from issue of shares	**742,641**	–
Net cash generated from/(used in) financing activities	**2,068,057**	(30,443)
Net increase/(decrease) in cash and cash equivalents	**19,789**	(50,781)
Cash and cash equivalents at the beginning of the year	**66,607**	117,388
Cash and cash equivalents at the end of the year	**86,396**	66,607
Analysis of cash and cash equivalents		
Bank and cash balances	**86,396**	66,607

1. GENERAL INFORMATION

Wealthking Investments Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The address of its principal place of business is 41st Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of the subsidiaries of the Company is set out in note 18 to the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Company and its subsidiaries (collectively referred to as the "Group") has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") that are relevant to its operations and effective for its accounting year beginning on 1 April 2021. HKFRSs comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by investments and derivative which are carried at their fair values.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 4 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. The Group controls an entity when it 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. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Associates (continued)

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has joint control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of a joint venture's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the Company's functional and presentation currency.

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

(iii) All resulting exchange differences are recognised in the exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the exchange reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

Equipment are stated at cost less accumulated depreciation and impairment losses.

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. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Motor vehicle	33 1/3%
Computer equipment	25%
Office equipment	25%
Furniture	25%
Leasehold improvements	33 1/3%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Leases

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rate of buildings is 25% to 40%.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below United States dollars ("US$") 5,000.

Intangible assets

Cryptocurrencies with indefinite useful life is stated at cost less any impairment losses. Impairment is reviewed annually or when there is any indication that cryptocurrencies has suffered an impairment loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified as under the following categories:

— Financial assets at amortised cost; and

— Investments at fair value through profit or loss.

(a) Financial assets at amortised cost

Financial assets (including accounts and other receivables and debt investments) are classified under this category if they satisfy both of the following conditions:

— the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets (Continued)

(b) Investments at fair value through profit or loss

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

If, at the end of the reporting period, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts and other payables

Accounts and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially recognised and subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue

Revenue is measured at the fair value of the consideration received in the ordinary course of the Group's activities.

Revenue is recognised when it is probable that future economic benefits will flow to the Group and the amount of revenue can be measured reliably, on the following bases:

(a) Dividend income is recognised when the shareholders' rights to receive payment are established.

(b) Interest income is recognised on a time-proportion basis using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

Employee benefits

(a) Employee leave entitlements

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

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(b) Pension obligations

The Group participates in a mandatory provident fund scheme in Hong Kong which is a defined contribution retirement scheme available to all employees, generally funded through payments to trustee-administered funds. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits (Continued)

(c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

(d) Bonus

The expected costs of bonus payments are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligations can be made.

Liabilities for bonus are measured at the amounts expected to be paid when they are settled.

Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

When the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share capital and share premium. When the share options are forfeited or lapsed after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits/accumulated losses.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

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

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

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

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

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Segment reporting

Operating segments and the amounts of each segment item reported in the consolidated financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of productions processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A related party is a person or entity that is related to the Group.

(a) A person or a close member of that person's family is related to the Group 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 Company or of a parent of the Company.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (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) Both entities 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. If the Group is itself such a plan, the sponsoring employers are also 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 Company or to a parent of the Company.

Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except investments and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of assets (Continued)

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions and contingent liabilities

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

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 is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. CRITICAL JUDGEMENT AND KEY ESTIMATES

Critical judgement in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgement that has the most significant effect on the amounts recognised in the consolidated financial statements:

Assessment of investment entities

In preparing the consolidated financial statements, significant judgment has been applied by the management in the determination of the Company's status as an investment entity under Amendments to HKFRS 10 "Consolidated Financial Statements". Management have assessed the definition of an investment entity under HKFRS 10 "Consolidated Financial Statements" and given that the performance of the investments in associates are not measured on a fair value basis, management have concluded that the Company does not fall within the definition of an investment entity under HKFRS 10.

Key sources of estimation uncertainty

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, are discussed below.

(a) ***Fair value of investments at fair value through profit or loss not quoted in an active market and underlying investments of investment in an associate***

In the absence of quoted market prices in an active market, the directors estimate the fair value of the Group's investments at fair value through profit or loss and underlying investments of investment in an associate, details of which are set out in notes 20 and 19 to the consolidated financial statements respectively, by considering information from a variety of sources, including the latest published financial information, the historical data on market volatility as well as the price and industry and sector performance of the Group's investments at fair value through profit or loss and underlying investments of investment in an associate.

(b) ***Expected credit losses of debt investments and bad and doubtful debts***

The Group makes impairment loss for debt investments and bad and doubtful debts based on assessments of the recoverability of debt investments and receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of debt investments and bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of debt investments and receivables and doubtful debt expenses in the year in which such estimate has been changed.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as certain investments at fair value through profit or loss, loan and other receivables, bank balances, other payables and borrowings are denominated in Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

As at 31 March 2022, if RMB had strengthened/weakened 0.5% against HK$ with all other variables held constant, profit after tax for the year would have been HK$5,892,000 higher/lower (2021: profit after tax for the year would have been HK$2,957,000 higher/lower), arising mainly as a result of the foreign exchange gains/losses on translation of certain investments at fair value through profit or loss, loan and other receivables, bank balances, other payables and borrowings denominated in RMB.

(b) Price risk

The Group's investments at fair value through profit or loss are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The Directors manage this exposure by maintaining a portfolio of investments with difference risk profiles.

As at 31 March 2022, if the fair value of the investments increase/decrease by 10%, profit before tax would have been HK$521,787,000 higher/lower (2021: profit before tax would have been HK$367,778,000 higher/lower), arising as a result of the fair value gain/loss of the investments.

(c) Credit risk

As at 31 March 2022, the Group's maximum exposure to credit risk in the event of the counterparties fail to perform their obligations in relation to each class of recognised financial assets is the carrying amount of these assets as stated in the consolidated statement of financial position.

The credit risk on bank balances is limited because most of the counterparties are banks with investment-grade credit-ratings assigned by international credit-rating agencies.

The Group exposed to the credit risk if the counterparty to a financial instrument would fail to perform its obligation. The Group considers its exposure to credit risk increased because of the higher investment amount in debt securities. The directors have overall responsibility for overseeing the credit quality of the debt portfolio. The management delegated investment teams responsible for monitoring processes to ensure that follow-up actions are taken to recover doubtful debts. Financial positions of the underlying companies are closely monitored by regularly reviewing their financial and operation results and assessing their abilities to fulfill the repayment obligations.

In order to minimise the credit risk, the Group reviews the recoverable amount of each loan receivable, dividend and interest receivables, prepayment and other receivables at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

5. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The Group uses three categories for debt investments, accounts, loans receivables and others which reflect their credit risk and how the expected credit loss ("ECL") provision is determined for each of those categories. The credit loss allowance includes ECLs for financial instruments that may default in the next 12-month period for financial instruments that have not observed a significant increase in credit risk since initial recognition ("stage 1") or over a lifetime period for financial instruments that have observed a significant increase in credit risk since initial recognition ("stage 2"). The allowance also includes lifetime ECLs for financial instruments where there is objective evidence of credit-impairment at the reporting date ("stage 3").

The gross carrying amount of debt investments, accounts, loans receivables and others, and thus the maximum exposure to loss, is as follows:

	2022 HK$'000	2021 HK$'000
Debt investments		
Stage 1 – Unimpaired and without significant increase in credit risk	**563,664**	317,150
Stage 2 – Significant increase in credit risk	**195,169**	421,879
Stage 3 – Credit-impaired	**–**	332,791
Total gross debt investments	**758,833**	1,071,820
Less: ECL provision	**(142,740)**	(522,447)
Debt investments, net of expected credit losses	**616,093**	549,373

Stage 1: They are unlisted debt investments, interest-bearing from 6% to 8% per annum and with 1-year term. They were secured by financial support commitments provided by the business partner of the debt investees. The Group did not observe a significant increase in credit risk since initial recognition and provided 12-month ECLs with the assistance of an independent valuer on the Group's ECL assessments at the reporting date.

Stage 2: They are unlisted debt investments, interest-bearing from 8% to 10% per annum and with 2-year term. The Group observed a significant increase in credit risk due to the financial difficulties encountered by the debt investees during the Year and assessed the lifetime ECLs of these debt investments based on the difference between (i) estimated recoverable amounts from the debt investees and (ii) gross carrying amount of the debt investments.

Stage 3: They are unlisted debt investments, interest-bearing at 10% per annum and with 2-year term. Objective evidence including inadequate repayment ability of debt investees, uncertainty related to going concern with the debt investee and subsequent request of debt restructuring from debt investee revealed credit impairment of these debt investments at the reporting date. The Group assessed the lifetime ECLs of these debt investments based on the difference between (i) estimated recoverable amounts from the debt investees and/or the guarantors and (ii) gross carrying amount of the debt investments.

5. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The gross carrying amount of debt investments, accounts, loans receivables and others, and thus the maximum exposure to loss, is as follows: (continued)

	2022 **HK$'000**	2021 HK$'000
Accounts, loans receivables and others		
Stage 1 – Unimpaired and without significant increase in credit risk	**334,697**	328,965
Stage 2 – Significant increase in credit risk	**14,459**	48,984
Stage 3 – Credit-impaired	**–**	122,930
Total gross accounts, loans receivables and others	**349,156**	500,879
Less: ECL provision	**(19,576)**	(188,301)
Accounts, loans receivables and others, net of expected credit losses	**329,580**	312,578

Stage 1: They are interest receivables from debt investments, loans provided to an associate and independent third parties and others. The Group did not observe a significant increase in credit risk since initial recognition and provided 12-month ECLs with the assistance of an independent valuer on the Group's ECL assessments at the reporting date.

Stage 2: They are interest receivables from debt investments. The Group observed a significant increase in credit risk due to the financial difficulties encountered by the debt investees during the Year and assessed the lifetime ECLs of these interest receivable from debt investments based on the difference between (i) estimated recoverable amounts from the debt investees and (ii) gross carrying amount of the debt investments.

Stage 3: They are interest receivables from debt investments and loan to a potential investee. Objective evidence including inadequate repayment ability of debt investees and borrower, uncertainty related to going concern with the debt investee and subsequent request of debt restructuring from debt investee revealed credit impairment of these debt investments at the reporting date. The Group assessed the lifetime ECLs of these debt investments based on the difference between (i) estimated recoverable amounts from the debt investees/borrower and/or the guarantors and (ii) gross carrying amount of the debt investments/loan.

5. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The gross carrying amount of debt investments, accounts, loans receivables and others, and thus the maximum exposure to loss, is as follows: (continued)

	Stage 1 12-month ECL HK$'000	**Stage 2 Lifetime ECL** HK$'000	**Stage 3 Lifetime ECL** HK$'000	**Total** HK$'000
Debt investments				
Exposure at 1 April 2020	866,000	441,771	442,791	1,750,562
Write off	–	–	(71,518)	(71,518)
Settlement	(548,850)	(20,000)	(38,482)	(607,332)
Exchange difference	–	108	–	108
Exposure at 31 March 2021 and 1 April 2021	**317,150**	**421,879**	**332,791**	**1,071,820**
Addition	**745,655**	**–**	**–**	**745,655**
Write off	**–**	**–**	**(3,680)**	**(3,680)**
Settlement	**(499,151)**	**(383,000)**	**(220,812)**	**(1,102,963)**
Transfer	**–**	**155,998**	**(108,299)**	**47,699**
Exchange difference	**10**	**292**	**–**	**302**
Exposure at 31 March 2022	**563,664**	**195,169**	**–**	**758,833**
Accounts, loans receivable and others				
Exposure at 1 April 2020	87,808	518,508	102,745	709,061
Addition	302,690	102,047	33,816	438,553
Write off	–	–	(19,190)	(19,190)
Settlement	(68,992)	(3,735)	–	(72,727)
Transfer	–	(567,853)	–	(567,853)
Exchange difference	7,459	17	5,559	13,035
Exposure at 31 March 2021 and 1 April 2021	**328,965**	**48,984**	**122,930**	**500,879**
Addition	**106,738**	**19,573**	**15,098**	**141,409**
Write off	**(44)**	**–**	**(87,274)**	**(87,318)**
Settlement	**(111,311)**	**(59,088)**	**–**	**(170,399)**
Transfer	**–**	**4,967**	**(52,666)**	**(47,699)**
Exchange difference	**10,349**	**23**	**1,912**	**12,284**
Exposure at 31 March 2022	**334,697**	**14,459**	**–**	**349,156**

5. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

The following table reconciles the movement in ECL between the beginning and the end of the financial year:

	Stage 1 12-month ECL HK$'000	Stage 2 Lifetime ECL HK$'000	Stage 3 Lifetime ECL HK$'000	Total HK$'000
Debt investments				
ECL at 1 April 2020	41,788	239,454	261,021	542,263
Write off	–	–	(53,000)	(53,000)
Settlement	(28,904)	–	(16,674)	(45,578)
Remeasurement	11,794	7,811	59,157	78,762
ECL at 31 March 2021 and 1 April 2021	**24,678**	**247,265**	**250,504**	**522,447**
Addition	**28,097**	**–**	**–**	**28,097**
Write off	**–**	**–**	**(3,680)**	**(3,680)**
Settlement	**(24,677)**	**(243,000)**	**(154,492)**	**(422,169)**
Remeasurement	**–**	**700**	**(24,435)**	**(23,735)**
Transfer	**–**	**109,368**	**(67,897)**	**41,471**
Exchange difference	**305**	**4**	**–**	**309**
ECL at 31 March 2022	**28,403**	**114,337**	**–**	**142,740**
Accounts, loans receivable and others				
ECL at 1 April 2020	4,559	136,395	96,935	237,889
Addition	20,278	22,156	37,325	79,759
Write off	–	–	(13,888)	(13,888)
Settlement	(2,312)	–	(1,538)	(3,850)
Remeasurement	850	–	–	850
Transfer	–	(117,764)	–	(117,764)
Exchange difference	581	2,929	1,795	5,305
ECL at 31 March 2021 and 1 April 2021	**23,956**	**43,716**	**120,629**	**188,301**
Write off	**–**	**–**	**(87,274)**	**(87,274)**
Settlement	**–**	**(44,537)**	**–**	**(44,537)**
Remeasurement	**(13,576)**	**1,175**	**14,378**	**1,977**
Transfer	**–**	**8,175**	**(49,646)**	**(41,471)**
Exchange difference	**667**	**–**	**1,913**	**2,580**
ECL at 31 March 2022	**11,047**	**8,529**	**–**	**19,576**

5. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Group's financial liabilities is as follows:

	Less than 1 year or on demand HK$'000	Between 1 and 2 years HK$'000	Between 2 and 5 years HK$'000	Total HK$'000
At 31 March 2022				
Accounts payables	**57**	**–**	**–**	**57**
Other payables	**19,180**	**–**	**–**	**19,180**
Borrowings	**1,880,592**	**–**	**–**	**1,880,592**
Lease liabilities	**24,333**	**4,592**	**1,552**	**30,477**
	1,924,162	**4,592**	**1,552**	**1,930,306**
At 31 March 2021				
Accounts payables	210,632	–	–	210,632
Other payables	26,287	–	–	26,287
Borrowings	542,029	–	–	542,029
Lease liabilities	31,228	20,192	–	51,420
	810,176	20,192	–	830,368

(e) Interest rate risk

The Group's debt investments, loan receivable, other receivables, other payables and borrowings bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's exposure to interest-rate risk arises from its bank balances and bank borrowings (2021: bank balances). These balances bear interests at variable rates varied with the then prevailing market condition.

As at 31 March 2022, if interest rates at that date had been 25 basis points higher/lower with all other variables held constant, profit for the year would have been HK$28,000 lower/higher (2021: profit for the year would have been HK$167,000 higher/lower), arising mainly as a result of higher/lower interest on bank borrowings (2021: bank interest income).

5. FINANCIAL RISK MANAGEMENT (continued)

(f) Categories of financial instruments at 31 March

	2022 HK$'000	2021 HK$'000
Financial assets:		
Investments at fair value through profit or loss		
— Designated as such upon initial recognition	**5,217,865**	3,677,784
Debt investments	**616,093**	549,373
Financial assets at amortised cost (including cash and cash equivalents)	**432,587**	374,380
Financial liabilities:		
Financial liabilities at fair value through profit or loss		
— Designated as such upon initial recognition	**4,555**	7,248
Financial liabilities at amortised cost	**1,893,736**	815,070

(g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

6. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

6. FAIR VALUE MEASUREMENTS (continued)

(a) Disclosures of level in fair value hierarchy at 31 March

Description	Fair value measurements using: Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2022 HK$'000
Recurring fair value measurements:				
Assets				
Investments at fair value through profit or loss				
— Listed equity securities	**906,374**	**–**	**–**	**906,374**
— Unlisted equity investments	**–**	**–**	**2,706,024**	**2,706,024**
— Unlisted investment funds/limited partnership	**–**	**77,502**	**1,517,675**	**1,595,177**
— Unlisted debt investments	**–**	**–**	**10,290**	**10,290**
	906,374	**77,502**	**4,233,989**	**5,217,865**
Liabilities				
Financial liabilities at fair value through profit or loss	**–**	**–**	**(4,555)**	**(4,555)**
Total recurring fair value measurements	**906,374**	**77,502**	**4,229,434**	**5,213,310**

Description	Fair value measurements using: Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total 2021 HK$'000
Recurring fair value measurements:				
Assets				
Investments at fair value through profit or loss				
— Listed equity securities	966,104	–	–	966,104
— Unlisted equity investments	–	–	2,644,309	2,644,309
— Unlisted investment funds/limited partnership	–	38,439	18,710	57,149
— Unlisted debt investments	–	–	10,222	10,222
	966,104	38,439	2,673,241	3,677,784
Liabilities				
Financial liabilities at fair value through profit or loss	–	–	(7,248)	(7,248)
Total recurring fair value measurements	966,104	38,439	2,665,993	3,670,536

6. FAIR VALUE MEASUREMENTS (continued)

(b) Reconciliation of assets and liabilities measured at fair value based on level 3

Description	Investments at fair value through profit or loss: Unlisted equity investments HK$'000	Investments at fair value through profit or loss: Unlisted investment fund/limited partnership HK$'000	Investments at fair value through profit or loss: Unlisted debt investments HK$'000	2022 Total assets HK$'000	Financial liabilities at fair value through profit or loss HK$'000
At 1 April 2021	**2,644,309**	**18,710**	**10,222**	**2,673,241**	**(7,248)**
Total gains or losses recognised					
— in profit or loss [#]	**(102,015)**	**(825)**	**846**	**(101,994)**	**2,011**
Purchase	**289,459**	**1,500,000**	**–**	**1,789,459**	**(780)**
Disposals/distributions	**(138,534)**	**(210)**	**(778)**	**(139,522)**	**1,466**
Exchange difference	**12,805**	**–**	**–**	**12,805**	**(4)**
At 31 March 2022	**2,706,024**	**1,517,675**	**10,290**	**4,233,989**	**(4,555)**
[#] Include gains or losses for assets and liabilities held at the end of the reporting period	**(102,024)**	**(825)**	**846**	**(102,003)**	**2,011**

Description	Investments at fair value through profit or loss: Unlisted equity investments HK$'000	Investments at fair value through profit or loss: Unlisted investment fund/limited partnership HK$'000	Investments at fair value through profit or loss: Unlisted debt investments HK$'000	2021 Total assets HK$'000	Financial liabilities at fair value through profit or loss HK$'000
At 1 April 2020	1,959,579	28,089	67,438	2,055,106	(33,353)
Total gains or losses recognised					
— in profit or loss [#]	88,738	557	(57,216)	32,079	(17,912)
Purchase	700,000	–	–	700,000	–
Disposals/distributions	(124,153)	(9,936)	–	(134,089)	44,043
Exchange difference	20,145	–	–	20,145	(26)
At 31 March 2021	2,644,309	18,710	10,222	2,673,241	(7,248)
[#] Include gains or losses for assets and liabilities held at the end of the reporting period	73,846	1,768	(57,216)	18,398	3,018

The total gains or losses recognised in profit or loss including those for assets and liabilities held at the end of the reporting period are presented in net change in unrealised (loss)/gain on investments at fair value through profit or loss in the consolidated statement of profit or loss and other comprehensive income.

6. FAIR VALUE MEASUREMENTS (continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the board of directors (the "Board") for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation expert with the recognised professional qualifications and recent experience to perform the valuations, and refer to prices quoted by fund administrators.

Level 2 fair value measurements

Description	**Valuation technique**	**Inputs**	**Fair value 2022 HK$'000**
Unlisted investment funds	Share of net assets	N/A	**77,502**

Description	Valuation technique	Inputs	Fair value 2021 HK$'000
Unlisted investment funds	Share of net assets	N/A	38,439

6. FAIR VALUE MEASUREMENTS (continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period (continued)

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2022 HK$'000
Investments at fair value through profit or loss					
— Unlisted partnership interests	Share of net assets	N/A	N/A	N/A	**1,517,675**
— Unlisted equity investments	Latest transaction price	N/A	N/A	N/A	**1,053,486**
	Discount cash flow	Discount rate	30.05%	Decrease	**1,000,551 (note (a)(i))**
		Long-term growth rate	3.00%	Increase	
		Discount for lack of marketabilities and control	20.00%	Decrease	
	Market approach	Discount rate	65.26%	Decrease	**142,516 (notes (a)(ii), (b))**
	Share of net assets	N/A	N/A	N/A	**367,261 (note (a)(iii))**
	Market comparable companies	Price-to book-ratio	2.42	Increase	**43,920**
		Discount rate for lack of marketability	20.60%	Decrease	
	Market comparable companies	Earnings multiples	37.90	Increase	**59,518 (note (a)(iv))**
		Discount rate for lack of marketability	30.00%	Decrease	
	Share of net assets	N/A	N/A	N/A	**899**
— Unlisted non-voting preference shares	Share of net assets	N/A	N/A	N/A	**73**
	Market comparable companies	Earnings multiples	11.44	Increase	**37,800 (note (b))**
		Discount rate for lack of marketability	20.60%	Decrease	
— Unlisted bond	Market comparable companies	Earnings multiples	20.60	Increase	**10,290**
		Discount rate for lack of marketability	30.00%	Decrease	
Financial liabilities at fair value through profit or loss	Share of investment results	N/A	N/A	N/A	**(4,555)**

6. FAIR VALUE MEASUREMENTS (continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period (continued)

Level 3 fair value measurements (continued)

Description	**Valuation technique**	**Unobservable inputs**	**Range**	**Effect on fair value for increase of inputs**	Fair value 2021 HK$'000
Investments at fair value through profit or loss					
— Unlisted partnership interests	Share of net assets	N/A	N/A	N/A	18,710
— Unlisted equity investments	Latest transaction price	N/A	N/A	N/A	2,276,027
	Market comparable companies	Price-to-book ratio	2.31	Increase	47,326
		Discount rate for lack of marketability	20.60%	Decrease	
	Share of net assets	N/A	N/A	N/A	130,308
— Unlisted non-voting preference shares	Share of net assets	N/A	N/A	N/A	92
	Market comparable companies	Earning multiples	11.72	Increase	56,000
		Discount rate for lack of marketability	20.60%	Decrease	
— Unlisted preference shares	Latest transaction price	N/A	N/A	N/A	134,556
— Unlisted bond	Market comparable companies	Earnings multiples	18.00	Increase	10,222
		Discount rate for lack of marketability	30.00%	Decrease	
Financial liabilities at fair value through profit or loss	Share of investment results	N/A	N/A	N/A	(7,248)

6. FAIR VALUE MEASUREMENTS (continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period (continued)

Level 3 fair value measurements (continued)

Notes:

(a) During the two years, there were no changes in the valuation techniques used except the following investments:

(i) iCarbonX Group Limited

The valuation technique was changed from "Latest transaction price" to "Discount cash flow" as the transaction price was arrived at for more than a year ago and no longer constituted an appropriate reference for the most recent valuation and discount cash flow is a more appropriate approach to value fair value of a company that is under development stage with great potential for growth in the future.

(ii) Victorian Investment Limited Partnership

The valuation technique was changed from "Share of net assets" to "Market approach" as there were significant changes in the net assets of the investee and "Market approach" is a more appropriate approach due to more market information available and provided.

(iii) 華建實業投資有限公司

The valuation technique was changed from "Latest transaction price" to "Share of net assets" as the transaction price was arrived at for more than a year ago and no longer constituted an appropriate reference for the most recent valuation and "Share of net assets" is a more appropriate approach due to the Group focuses on the investee's net asset value.

(iv) 深圳市航盛電子股份有限公司

The valuation technique was changed from "Latest transaction price" to "Market comparable companies" as the transaction price was arrived at for more than a year ago and no longer constituted an appropriate reference for the most recent valuation and "Market comparable companies" is a more appropriate approach due to more market information available and provided.

(b) The fair value of certain investments at fair value through profit or loss as at 31 March 2022 has been arrived at on the basis of valuations carried out on those dates by an independent qualified professional valuer not connected to the Group.

7. TURNOVER AND REVENUE

Turnover represents the aggregate of dividend income, interest revenue and gross sales proceeds from disposal/redemption of investments at fair value through profit or loss.

Turnover and revenue recognised during the years are analysed as follows:

	2022 HK$'000	2021 HK$'000
Dividend income	**2,654**	1,065
Interest revenue	**91,275**	109,457
Total revenue	**93,929**	110,522
Gross sales proceeds from disposal/redemption of investments at fair value through profit or loss	**177,574**	513,736
Turnover	**271,503**	624,258

8. SEGMENT INFORMATION

The chief operating decision maker has been identified as the executive director, subject to requirements of the Listing Rules. The executive director assesses the operating segments using a measure of operating profit. The Group's measurement policies for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements.

On adopting of HKFRS 8, based on the internal financial information reported to the executive director for decisions about resources allocation to the Group's business components and review of these components' performance, the Group has identified only one operating segment, being investment holding. Accordingly, segment disclosures are not presented.

Geographical information

	2022 HK$'000	2021 HK$'000
Revenue		
— Hong Kong	**30,912**	56,375
— Mainland China	**42,022**	8,405
— United States of America	**20,995**	45,742
	93,929	110,522

In presenting the geographical information, revenue in relation to equity investments is based on the location of the investments and the revenue in relation to debt investments is based on location of provision of credit.

Non-current assets other than financial instruments

	2022 HK$'000	2021 HK$'000
Hong Kong	**135,541**	169,477
Mainland China	**585,177**	592,469
United States of America	**782**	–

8. SEGMENT INFORMATION (continued)

Revenue from major debt investments and loan receivables

Revenue of the Group which individually accounted for 10% or more of the Group's total revenue is shown below:

	2022 **HK$'000**	2021 HK$'000
Debt investment A	**17,440**	21,897
Debt investment B	**14,795**	26,279
Borrower C	**11,330**	–
Debt investment D	**10,275**	–
Debt investment E	**10,141**	–
Debt investment F	**#**	11,947
Debt investment G	**–**	21,817

\# The amount of revenue from the debt investment was less than 10% of the total revenue for the relevant year.

9. FINANCE COSTS

	2022 **HK$'000**	2021 HK$'000
Interest on borrowings	**32,432**	22,038
Interest on lease liabilities	**2,131**	3,007
	34,563	25,045

10. INCOME TAX CREDIT/(EXPENSE)

	2022 **HK$'000**	2021 HK$'000
Deferred tax (note 31)	**4,113**	(4,113)

No provision for Hong Kong Profits Tax has been made for the years ended 31 March 2022 and 2021 as the Group did not generate any assessable profits arising in Hong Kong during those years.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretation and practices in respect thereof.

10. INCOME TAX CREDIT/(EXPENSE) (continued)

The reconciliation between the income tax credit/(expense) and the product of profit before tax multiplied by the weighted average tax rate of the consolidated companies is as follows:

	2022 HK$'000	2021 HK$'000
Profit before tax	**217,160**	376,669
Tax at the weighted average tax rate	**(68,199)**	(33,498)
Tax effect of income not taxable for tax purpose	**120,083**	65,118
Tax effect of expenses not deductible for tax purpose	**(46,954)**	(6,152)
Tax effect of tax losses not recognised	**(251)**	(28,907)
Tax effect of temporary differences not recognised	**(566)**	(674)
Income tax credit/(expense)	**4,113**	(4,113)

11. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2022 HK$'000	2021 HK$'000
Depreciation of equipment	**6,283**	6,832
Depreciation of right-of-use assets	**31,117**	29,550
Loss on disposal of equipment	**157**	–
Auditor's remuneration		
— Audit services		
— Current	**1,350**	1,350
— Under-provision in prior year	**–**	1,000
— Non-audit services	**118**	330
	1,468	2,680
Reversal of provision for expected credit losses		
— debt investments	**(417,807)**	(19,816)
— accounts, loans, interest and other receivables	**(42,560)**	(54,893)
	(460,367)	(74,709)
Directors' emoluments		
— As directors	**1,368**	2,830
— For management	**–**	–
— Equity-settled share-based payments	**–**	1,243
— Retirement benefits scheme contributions	**–**	–
	1,368	4,073
Staff costs including Directors' emoluments		
— Salaries and other benefits	**18,211**	22,537
— Equity-settled share-based payments	**828**	2,729
— Retirement benefits scheme contributions	**273**	477
	19,312	25,743

For the year ended 31 March 2022

12. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors' emoluments

Directors' emoluments for the year, disclosed pursuant to the applicable Listing Rules, is as follows:

		2022				
Name of directors	Notes	**Fees HK$'000**	**Salaries and other benefits HK$'000**	**Equity-settled share-based payments HK$'000**	**Retirement benefits scheme contributions HK$'000**	**Total HK$'000**
Executive director:						
LIU Zhiwei		**250**	**–**	**–**	**–**	**250**
Non-executive directors:						
FU Weigang	(i)	**118**	**–**	**–**	**–**	**118**
WANG Shibin	(ii)	**118**	**–**	**–**	**–**	**118**
Independent non-executive directors:						
CHEN Yuming		**250**	**–**	**–**	**–**	**250**
FU Weigang	(i)	**132**	**–**	**–**	**–**	**132**
HE Jia	(iii)	**250**	**–**	**–**	**–**	**250**
WANG Xiaojun	(iii)	**250**	**–**	**–**	**–**	**250**
		1,368	**–**	**–**	**–**	**1,368**

12. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(a) Directors' emoluments (continued)

Directors' emoluments for the year, disclosed pursuant to the applicable Listing Rules, is as follows: (continued)

		2021				
Name of directors	Notes	Fees HK$'000	Salaries and other benefits HK$'000	Equity-settled share-based payments HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors:						
LIU Zhiwei		240	–	–	–	240
ZHANG Zhi Ping	(iv)	170	–	–	–	170
ZHANG Gaobo	(iv)	170	–	–	–	170
Non-executive director:						
WU Zhong	(v)	1,250	–	1,243	–	2,493
Independent non-executive directors:						
CHEN Yuming		250	–	–	–	250
FU Weigang	(i)	250	–	–	–	250
HE Jia	(iii)	250	–	–	–	250
WANG Xiaojun	(iii)	250	–	–	–	250
		2,830	–	1,243	–	4,073

Notes:

(i) Re-designated from independent non-executive director to non-executive director on 11 October 2021.

(ii) Appointed on 11 October 2021.

(iii) Resigned on 22 April 2022.

(iv) Resigned on 16 December 2020.

(v) Retired on 31 August 2020.

There was no arrangement under which a director waived or agreed to waive any emoluments during the year ended 31 March 2022 (2021: nil).

12. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(b) Directors' material interests in transactions, arrangements or contracts

No other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended 31 March 2022 (2021: nil).

(c) Five highest paid employees

The five highest paid employees of the Group during the year included no (2021: 1) Director whose emoluments are set out in note 12(a) to the consolidated financial statements. Details of the emoluments for the year of the remaining 5 (2021: 4) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2022 **HK$'000**	2021 HK$'000
Basic salaries and allowances	**5,579**	5,195
Discretionary bonuses	**1,350**	–
Retirement benefits scheme contributions	**87**	71
	7,016	5,266

The number of the highest paid employees who are not the Directors and whose emoluments falls within the following bands:

	Number of individuals	
	2022	2021
Nil to HK$1,000,000	**1**	–
HK$1,000,001 to HK$1,500,000	**3**	3
HK$1,500,001 to HK$2,000,000	**–**	1
HK$2,000,001 to HK$2,500,000	**1**	–
	5	4

During the year, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDEND

No dividends was paid or proposed for ordinary shareholders of the Company during the year ended 31 March 2022, nor has any dividend been proposed at the end of the reporting period (2021: nil).

For the year ended 31 March 2022

14. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of the basic earnings per share is based on the following:

	2022 HK$'000	2021 HK$'000
Earnings		
Earnings for the purpose of calculating basic earnings per share	**221,273**	372,556

	2022 '000	2021 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**3,436,620**	2,900,940

	2022 HK$	2021 HK$
Basic earnings per share	**0.06**	0.13

(b) Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary share during the years ended 31 March 2022 and 2021.

15. EQUIPMENT

	Motor vehicle HK$'000	**Computer equipment** HK$'000	**Office equipment** HK$'000	**Furniture** HK$'000	**Leasehold improvements** HK$'000	**Total** HK$'000
Cost						
At 1 April 2020	777	1,795	269	2,407	18,666	23,914
Additions	–	13	–	–	–	13
At 31 March 2021 and 1 April 2021	**777**	**1,808**	**269**	**2,407**	**18,666**	**23,927**
Additions	**–**	**77**	**18**	**277**	**1,422**	**1,794**
Disposals	**–**	**(164)**	**(14)**	**(287)**	**–**	**(465)**
At 31 March 2022	**777**	**1,721**	**273**	**2,397**	**20,088**	**25,256**
Accumulated depreciation						
At 1 April 2020	496	724	70	640	5,122	7,052
Charge for the year	259	389	65	572	5,547	6,832
At 31 March 2021 and 1 April 2021	**755**	**1,113**	**135**	**1,212**	**10,669**	**13,884**
Charge for the year	**22**	**362**	**65**	**558**	**5,276**	**6,283**
Written off	**–**	**(94)**	**(10)**	**(189)**	**–**	**(293)**
At 31 March 2022	**777**	**1,381**	**190**	**1,581**	**15,945**	**19,874**
Carrying amount						
At 31 March 2022	**–**	**340**	**83**	**816**	**4,143**	**5,382**
At 31 March 2021	22	695	134	1,195	7,997	10,043

16. LEASES AND RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

At 31 March	2022 HK$'000	2021 HK$'000
Right-of-use assets – Buildings	26,686	46,880
Lease commitments of leases not yet commenced (other than short-term leases)	–	10,110
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:		
— Less than 1 year	24,333	31,228
— Between 1 and 2 years	4,592	20,192
— Between 2 and 5 years	1,552	–
	30,477	51,420

Year ended 31 March	2022 HK$'000	2021 HK$'000
Depreciation of right-of-use assets — Buildings	31,117	29,550
Lease interests	2,131	3,007
Total cash outflow for leases	33,387	31,346
Additions to right-of-use assets	11,296	–

Lease agreements are typically made for fixed periods of 2.5 to 4 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

17. INTANGIBLE ASSETS

	Cryptocurrencies HK$'000
Cost	
At 1 April 2020, 31 March 2021 and 1 April 2021	–
Additions	5,782
Disposal	(5,000)
At 31 March 2022	782
Carrying amount	
At 31 March 2022	782
At 31 March 2021	–

18. SUBSIDIARIES

The amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

Particulars of the subsidiaries of the Company as at 31 March 2022 are as follows:

Name	Place of incorporation/ registration and operation	Issued and paid up/ registered capital	Percentage of ownership interest/ voting power/profit sharing		Principal activities
			Direct	Indirect	
Block AI Company Limited	Republic of Seychelles	US$1	100%	–	Investment holding
Golden Investor Investments Limited	British Virgin Islands ("BVI")	US$2	100%	–	Investment holding
Great Wonderful Limited	BVI	US$1	100%	–	Investment holding
Metaki Investment Holdings Limited	BVI	US$1	100%	–	Dormant
Metaki Limited	Republic of Seychelles	US$1	100%	–	Dormant
Metaki Limited (formerly known as OP Financial Limited)	Hong Kong	HK$1	100%	–	Dormant
Metaqi Limited	Republic of Seychelles	US$1	100%	–	Dormant
OP Capital Investments Limited	Hong Kong	HK$1	100%	–	Investment holding
OP Digital Life (GP) Limited	Cayman Islands	US$1	100%	–	Investment holding
OP Digital Me Limited	BVI	US$1	100%	–	Investment holding
OP Felicity Limited	Hong Kong	HK$1	100%	–	Investment holding
OPFI GP(2) Limited	Cayman Islands	HK$0.1	100%	–	Investment holding
OP Fintech Holdings Limited	Cayman Islands	US$1	100%	–	Investment holding
OP Healthcare Limited	Cayman Islands	US$1	100%	–	Dormant
OP Investment Service Limited	Hong Kong	HK$1	100%	–	Administrative service centre for group companies
Power Creation Global Limited	BVI	US$100	100%	–	Investment holding
Prestige Power Global Limited	BVI	US$1	100%	–	Investment holding
Profit Raider Investments Limited	BVI	US$1	100%	–	Investment holding
Prosper Gain Holdings Limited	BVI	US$1	100%	–	Investment holding

18. SUBSIDIARIES (continued)

Particulars of the subsidiaries of the Company as at 31 March 2022 are as follows: (continued)

Name	Place of incorporation/ registration and operation	Issued and paid up/ registered capital	Percentage of ownership interest/ voting power/profit sharing Direct	Indirect	Principal activities
River King Investments Limited	BVI	US$1	100%	–	Investment holding
Silver Path Ventures Limited	BVI	US$1	100%	–	Investment holding
South South Financial Investment Group Limited	BVI	US$1	100%	–	Investment holding
Spring Inside Limited	BVI	–	100%	–	Investment holding
Spring Kirin Limited	BVI	US$1	100%	–	Dormant
Suremind Investments Limited	BVI	US$1	100%	–	Investment holding
Wall King Industry Investment Limited	BVI	US$13,000,000	100%	–	Investment holding
WK Development Limited	BVI	US$1	100%	–	Dormant
WK International Limited	BVI	US$1	100%	–	Dormant
WK Management Limited	BVI	US$1	100%	–	Dormant
英奇投資(杭州)有限公司	People's Republic of China ("PRC")	RMB800,000,000#	100%	–	Investment holding
深圳華科君匯管理諮詢有限公司	PRC	HK$18,000,000#	100%	–	Administrative service centre for group companies
Apex Ridge Limited	BVI	US$1	–	100%	Dormant
Digital Life L.P.	Cayman Islands	–	–	100%	Investment holding
Hong Kong Wall King Industry Investment Limited	Hong Kong	HK$1,000,000	–	100%	Investment holding
Keynew Investments Limited	BVI	US$1	–	100%	Investment holding
Metakii Limited (formerly known as South South Green Energy Investments Limited)	Hong Kong	HK$1	–	100%	Dormant
Metaqi Capital Limited (formerly known as South South Financial Investment Group (HK) Limited)	Hong Kong	HK$1	–	100%	Dormant

18. SUBSIDIARIES (continued)

Particulars of the subsidiaries of the Company as at 31 March 2022 are as follows: (continued)

Name	Place of incorporation/ registration and operation	Issued and paid up/ registered capital	Percentage of ownership interest/ voting power/profit sharing Direct	Indirect	Principal activities
OP Digital Me Investment Limited	BVI	US$1	–	100%	Investment holding
OP New Health Limited	Hong Kong	HK$1	–	100%	Investment holding
Peak Achiever Holdings Limited	BVI	US$1	–	100%	Dormant
Wisland Investments Limited	BVI	US$1	–	100%	Investment holding
World Master Global Limited	BVI	US$1	–	100%	Investment holding
上海鑫途信息科技有限公司	PRC	RMB15,000,000#	–	100%	Investment holding
深圳華茂嘉德實業有限公司	PRC	HK$1,000,000	–	100%	Investment holding
橫琴英奇股權投資企業(有限合夥)	PRC	RMB50,000	–	100%	Dormant

Capital registered but not fully paid up.

英奇投資(杭州)有限公司, 深圳華科君匯管理諮詢有限公司 and 深圳華茂嘉德實業有限公司 are wholly-owned foreign enterprises established in the PRC.

As at 31 March 2022, the bank and cash balances of the Group' subsidiaries in the PRC denominated in RMB amounted to HK$26,935,000 (2021: HK$51,623,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2022 HK$'000	2021 HK$'000
Unlisted investments		
— Associates		
— Share of net assets	**676,585**	705,023
— Goodwill	**6,214**	–
	682,799	705,023
— Joint ventures — share of net assets	**5,851**	–
	688,650	705,023

19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

Details of the Group's associates and joint ventures as at 31 March 2022 are as follows:

Name of entity	Principal place of business	Place of incorporation	Percentage of ownership interest and voting rights held by the Group 2022	2021	Principal activities
Associates					
CSOP Asset Management Limited ("CSOP") (note i)	Hong Kong	Hong Kong	**22.5%**	22.5%	Asset management and investment holding
Guotai Junan Fund Management Limited	Hong Kong	Hong Kong	**29.9%**	29.9%	Asset management and trading in securities
OPIM Holdings Limited ("OPIM")	Hong Kong	BVI	**30.0%**	30.0%	Asset management
Treasure Up Ventures Limited ("TUVL")	PRC	The Republic of Seychelles	**25.0%**	25.0%	Investment holding
iCarbonX OP Investment Limited	PRC	BVI	**29.0%**	29.0%	Investment holding
東英騰華融資租賃(深圳)有限公司 ("東英騰華")	PRC	PRC	**30.0%**	30.0%	Lease investments
上海赫奇企業管理諮詢有限公司 ("上海赫奇")	PRC	PRC	**23.52%**	23.52%	Investment holding
Greater Bay Area Kunlun Investment SPC ("昆侖投資基金")	PRC	Cayman Islands	**30.0%**	30.0%	Dormant
東創智能(海南)數字科技有限公司 ("東創智能")	PRC	PRC	**30.0%**	30.0%	Dormant
博石資產管理股份有限公司	PRC	PRC	**29.9%**	0.0%	Asset management
Joint ventures					
Shen Jiang L.P.	Hong Kong	Cayman Islands	**50.0%**	50.0%	Investment holding
Magopt Investment L.P.	Hong Kong	BVI	**50.0%**	50.0%	Dormant
OP EBS Fintech Investment L.P. ("OP EBS Fintech")	Hong Kong	Cayman Islands	**40.0%**	40.0%	Investment holding
深圳市君匯鑫亦諮詢合夥企業(有限合夥)	PRC	PRC	**50.0%**	0.0%	Investment holding

Note (i): As at 31 March 2022, it is pledged to secured bank facilities granted to the Group (2021: Nil).

19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

Summarised financial information in respect of the Group's associates (based on the management accounts of the associates) is set out below:

	CSOP HK$'000	TUVL HK$'000	東英騰華 HK$'000 (note ii)	上海赫奇 HK$'000 (note ii)	Others HK$'000	Total HK$'000
At 31 March 2022						
Non-current assets	2,140	–	105,506	–	73,027	180,673
Current assets	1,012,598	1,577,413	182,434	76,060	140,708	2,989,213
Current liabilities	(553,661)	–	(14,617)	–	(103,842)	(672,120)
Non-current liabilities	–	–	–	–	–	–
Net assets	461,077	1,577,413	273,323	76,060	109,893	2,497,766
Group's share of investments' net assets	103,742	394,353	74,612	75,221	28,657	676,585
Year ended 31 March 2022						
Revenue	581,584	–	19,316	–	94,089	694,989
Profit/(loss) for the year	202,960	(209,614)	(5,167)	–	3,604	(8,217)
Other comprehensive income	5,514	–	–	–	–	5,514
Total comprehensive income/(expense)	208,474	(209,614)	(5,167)	–	3,604	(2,703)
Group's share of investments' profit/(loss) for the year	45,405	(38,928)	(1,418)	–	(82)	4,977
Group's share of investments' other comprehensive income for the year	1,241	–	–	–	–	1,241
Dividend received from associates	25,439	14,921	–	–	–	40,360

19. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

Summarised financial information in respect of the Group's associates (based on the management accounts of the associates) is set out below: (continued)

	CSOP HK$'000	TUVL HK$'000	東英騰華 HK$'000 (note ii)	上海赫奇 HK$'000 (note ii)	Others HK$'000	Total HK$'000
At 31 March 2021						
Non-current assets	3,366	–	118,144	–	71,274	192,784
Current assets	815,219	1,787,027	149,512	73,133	40,384	2,865,275
Current liabilities	(357,114)	–	(393)	(19)	(65,731)	(423,257)
Non-current liabilities	–	–	(508)	–	(29,673)	(30,181)
Net assets	461,471	1,787,027	266,755	73,114	16,254	2,604,621
Group's share of investments' net assets	103,831	446,757	72,928	72,307	9,200	705,023
Year ended 31 March 2021						
Revenue	480,279	–	19,345	–	80,302	579,926
Profit/(loss) for the year	149,912	416,061	(11,177)	(7)	12,374	567,163
Other comprehensive income	2,296	–	–	–	–	2,296
Total comprehensive income/(expense)	152,208	416,061	(11,177)	(7)	12,374	569,459
Group's share of investments' profit/(loss) for the year	33,730	117,422	(3,497)	(7)	1,630	149,278
Group's share of investments' other comprehensive income for the year	517	–	–	–	–	517
Dividend received from associates	34,864	14,418	–	–	–	49,282

Note (ii): The Group's share of investments' net assets is calculated by percentage of paid-up capital in the associates.

As at 31 March 2022, the bank and cash balances of the Group' associates in the PRC denominated in RMB amounted to HK$4,673,000 (2021: HK$27,554,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

As at 31 March 2022, the Group's share of joint ventures' net assets is HK$5,851,000 (2021: nil). For the year ended 31 March 2022, the Group's share of joint ventures' loss for the year is HK$299,000 (2021: nil).

20. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 HK$'000	2021 HK$'000
Listed equity investments	**906,374**	966,104
Unlisted equity investments	**2,706,024**	2,644,309
Unlisted investment funds/limited partnership	**1,595,177**	57,149
Unlisted debt investments	**10,290**	10,222
	5,217,865	3,677,784
Analysed as:		
— Non-current assets	**4,002,039**	1,335,687
— Current assets	**1,215,826**	2,342,097
	5,217,865	3,677,784

As at 31 March 2022, the unlisted debt investments are debentures carrying interest rates at 22% (2021: 22%) compounded rate.

The investments in unlisted investment funds/limited partnership of HK$1,595,177,000 (2021: HK$57,149,000) as above represent investments in unconsolidated structured entities. The maximum exposure to loss is the carrying value of these investments. The size of the investment funds ranges from US$0.63 million to US$185 million (2021: US$3.93 million to US$189 million).

21. DEBT INVESTMENTS

	2022 HK$'000	2021 HK$'000
Unlisted debt investments	**758,833**	1,071,820
Provision to ECL	**(142,740)**	(522,447)
Total unlisted debt investments, net	**616,093**	549,373
Analysed as:		
— Non-current assets	**–**	292,473
— Current assets	**616,093**	256,900
	616,093	549,373

The tenure of the debt investments ranged from 1 year to 2 years (2021: 1.5 years to 2 years). The applied interest rates ranged from 6% to 10% (2021: 6% to 10%) per annum. They are expected to be settled on maturity date.

In order to minimise the credit risk, the Group has assessed the creditworthy of the investees and closely monitors the repayment ability of the investees.

21. DEBT INVESTMENTS (continued)

As at 31 March 2022, certain debt investments were overdue or impaired. It is analysed as follows:

	Loan principal HK$'000	Provision for expected credit losses HK$'000	Carrying amount at 2022 HK$'000	Carrying amount at 2021 HK$'000
Neither past due nor impaired	**563,664**	**(28,403)**	**535,261**	292,472
Credit risk significantly increased	**195,169**	**(114,337)**	**80,832**	174,614
Credit impaired	**–**	**–**	**–**	82,287
			616,093	549,373

Provision for ECL was recognised in the consolidated statement of profit or loss and other comprehensive income as follows:

	2022 HK$'000	2021 HK$'000
Opening balance	**522,447**	542,263
Credit during the year (note)	**(417,807)**	(19,816)
Write off	**(3,680)**	–
Transfer from interest receivables	**41,471**	–
Exchange difference	**309**	–
Closing balance	**142,740**	522,447

Note: The reversal of provision of ECL during the year ended 31 March 2022 was mainly due to receipt of repayments in respect of certain debt investments which the Company has previously applied ECL. Of which, HK$243 million was related to loan of HK$403 million granted to an entity in the years ended 31 March 2019 and 2020, and HK$179 million was related to outstanding loan of HK$263 million granted to an entity in the year ended 31 March 2019 together with outstanding interest receivables of HK$41 million, that the Company learnt later the borrowers were experiencing financial difficulties due to potential financial loss on its own debt investments caused by the negative impact of the coronavirus pandemic. The Company considered that the financial difficulty of the borrowers had undermined its repayment abilities and significantly increased the credit risk.

22. ACCOUNTS AND LOANS RECEIVABLES

	Notes	2022 HK$'000	2021 HK$'000
Unsecured loans	(a)	**186,404**	216,991
Accounts receivables	(b)	**1,089**	1,089
Amounts due from associates, joint ventures and related companies	(c)	**29,154**	25,745
Dividend receivables	(d)	**46,734**	25,953
		263,381	269,778

22. ACCOUNTS AND LOANS RECEIVABLES (continued)

Notes:

(a)

		2022 HK$'000	2021 HK$'000
Unsecured loan to a potential investee	(i)	**–**	70,989
Unsecured loans to other third parties	(ii)	**196,295**	235,300
Expected credit losses		**(9,891)**	(89,298)
		186,404	216,991

(i) Unsecured loan of RMB60,000,000, equivalent to HK$70,989,000, is provided to a potential investee established in the PRC. The Group assesses the feasibility of the potential investment from time to time. ECL of RMB60,000,000, equivalent to HK$70,989,000 is recognised against the unsecured loan as at 31 March 2021 based on estimated recoverable amount determined by reference to an analysis of the counterparty's current operation. The loan was fully written off during the year as the recoverability is remote.

(ii) Unsecured loans of RMB159,486,000, equivalent to HK$196,295,000 (2021: RMB198,876,000, equivalent to HK$235,300,000), are provided to 2 third parties established in the PRC with interest rate of 8% per annum. ECL of RMB8,036,000, equivalent to HK$9,891,000 (2021: RMB15,475,000, equivalent to HK$18,309,000) is recognised against the unsecured loans as at 31 March 2022 based on estimated recoverable amount determined by reference to an analysis of the counterparty's current operation.

Subsequent to the reporting period, RMB1,630,000 was repaid. For the unsettled loans, the directors of the Group assessed the likelihood of default of these loans to be remote, as no loan has become past due. Further the Group was not aware of any significant adverse change in the business and operation of the borrowers of the loans. The Group will continue to closely monitor the development of these loans and assess their recoverability periodically.

During the year ended 31 March 2022, reversal of provision for ECL of RMB7,438,000, equivalent to HK$9,155,000 (2021: provision for ECL of RMB15,475,000, equivalent to HK$17,748,000) was recognised in profit or loss.

The Group does not hold any collateral or other credit enhancement over the balance.

(b) The Group does not hold any collateral or other credit enhancements over the accounts receivables from co-investment partners. The ageing analysis of accounts receivables, based on invoice date of accounts receivables, and net of allowance, is as follows:

	2022 HK$'000	2021 HK$'000
Unbilled	**1,089**	1,089

(c) Amounts due from associates, joint ventures and related companies mainly arise from advance money provided for potential investment projects and administrative expenses paid by the Group on behalf of its associates, joint ventures and related companies. The amounts are unsecured, interest-free and repayable on demand.

For the year ended 31 March 2022, in view of the uncertainty on the recoverability of the amount due from one of the associates, reversal of provision for ECL of HK$3,262,000 (2021: provision for ECL of HK$850,000) was recognised in profit or loss.

(d) Dividend receivables represents dividend declared by CSOP in both years.

23. PREPAID CONSIDERATION

In September 2021, the Company, through its wholly owned subsidiary, entered into a subscription agreement (the "Hengjiameilian Subscription Agreement") with 上海恒嘉美聯發展有限公司 ("Hengjiameilian"). The total investment in this project is approximately HK$600,000,000 (equivalent to approximately RMB472,035,000). After completion of the Hengjiameilian Subscription Agreement, the Group will hold 19.9% of the enlarged shareholding of Hengjiameilian.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2022 HK$'000	2021 HK$'000
Prepaid service fee (note)	–	3,195
Other prepayments	3,389	1,610
Deposits and other receivables	12,579	13,299
	15,968	18,104

Note:

On 29 July 2019, the Company entered into a service agreement with Finance Center for South-South Cooperation Limited ("FCSSCL") to which FCSSCL provided a series of services to the Company for a term of three years commencing from 30 July 2019 at an initial expansion cost and annual service fee of HK$2,700,000 and HK$2,425,000 respectively. The service fee payable will be set off against the principal amount of HK$9,500,000 and the last interest payment of HK$475,000, totalling HK$9,975,000 on the maturity date of FCSSCL promissory note, being 21 June 2019, on one-off basis, and the Company shall have no further obligation to pay any expenses. Prepaid service fee is amortised in proportion to services rendered by FCSSCL during the year.

Due to social movements in Hong Kong in 2019 and the outbreak of COVID-19 pandemic in 2020, FCSSCL was unable to render certain services under the service agreement during the period from 30 July 2019 to 29 July 2020. On 17 November 2020, the Company and FCSSCL entered into a first supplemental service agreement allowing FCSSCL to delay the delivery of certain services under the service agreement.

On 24 June 2021, the Company and FCSSCL entered into a second supplemental service agreement to amend the scope of services under the service agreement and the fee schedule. The initial expansion cost, service fees for the first, second and third years were revised to HK$2,600,000, HK$1,600,000, HK$3,900,000 and HK$1,875,000 respectively.

Such prepaid service fee has been fully amortised during the year.

25. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

As at 31 March 2022, certain bank deposits were pledged to secure for the Group's bank borrowings as detailed in note 29(b) to the consolidated financial statements.

As at 31 March 2022, the bank and cash balances of the Group denominated in RMB amounted to HK$41,990,000 (2021: HK$51,690,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

26. ACCOUNTS PAYABLES

The ageing analysis of accounts payables, based on the recognition date of accounts payables, is as follows:

	2022 HK$'000	2021 HK$'000
Within 1 year (note)	–	210,632
Over 1 year	57	–
	57	210,632

Note:

Pursuant to 股份轉讓交易協議 dated 18 June 2019 and 股份轉讓交易協議之補充協議 dated 28 June 2019, signed between the Group, through one of its subsidiaries, and the seller, the Group determined to purchase a total of 63,202,590 shares, or 19.9% of total capital of Dagang Holding Group Co., Limited (stock code: 300103.SZ). The total consideration of RMB695,228,490, or RMB11 per share, is agreed to be paid in instalments based on certain contractual terms. The shares have been successfully transferred and registered under the Group as disclosed in the Company's announcement on 23 October 2020. As at 31 March 2021, the accounts payables mainly include RMB177,979,000 (equivalent to HK$210,575,000) payable to the seller. As at 31 March 2022, the accounts payables to the seller has been fully settled.

27. OTHER PAYABLES

	2022 HK$'000	2021 HK$'000
Interest payables (note)	9,236	8,935
Others	9,944	17,352
	19,180	26,287

Note:

Interest payables of HK$1,445,000 (2021: nil) is arisen from unsecured interest-bearing other borrowings with principal amount of HK$1,400,000,000 (2021: nil) borrowed from a company incorporated in BVI which is ultimately controlled by Dr. Liu Zhiwei, the executive director of the Company.

28. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2022 HK$'000	2021 HK$'000
Current liabilities			
— Payable to investment partners	(a)	2,879	6,331
Non-current liabilities			
— Staff participation interest payable	(b)	1,676	917

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28. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

Notes:

(a) Pursuant to the financial participation arrangement signed in May 2018 with investment partners, the Group received US$1,950,000 (equivalent to HK$15,267,000) from those investment partners and in return, shared a portion of the Group's future realised trading result of one of the equity investments on a back-to-back basis.

During the year ended 31 March 2022, an unrealised gain of HK$1,986,000 (2021: HK$3,003,000), representing the investment partners' share of unrealised loss of the project, was recognised in profit or loss as the payable to investment partners' interests were decreased.

(b) As an incentive program to align risk and performance of the Group's investments with interests of the employees, the Group set up staff participation plan. At the inception of a qualified investment, the Group will allocate not more than 10% of its own interest in that investment for staff participation. Pursuant to terms of the staff participation plan, the eligible employees will subscribe for the interest of the investment at the same price as the Group's investment cost and share potential profit or loss in proportion to its participation upon the Group's exit of such investment. The classification of current liabilities and non-current liabilities was determined based on the classification of the underlying investments.

During the year ended 31 March 2022, an unrealised gain of HK$25,000 (2021: HK$14,000), representing the staff participation's share of unrealised loss of the qualified investments, was recognised in profit or loss as the payable to staff participation interests were decreased.

29. BORROWINGS

	Notes	2022 HK$'000	2021 HK$'000
Securities margin trading borrowing	(a)	**200,150**	223,941
Secured borrowings from banks	(b)	**97,500**	–
Unsecured other borrowings			
— Interest bearing	(c)	**1,471,871**	232,135
— Non-interest bearing	(d)	**75,448**	72,527
		1,844,969	528,603

Notes:

(a) Securities margin trading borrowing from a securities company secured by certain listed securities of the Group and repayable within 1 year.

(b) Secured borrowings from banks are secured by the Group's pledged bank deposits and certain interests in an associate and repayable within 1 year.

(c) The interest-bearing other borrowings of HK$71,871,000 (2021: HK$232,135,000) are unsecured, interest bearing from 8% to 16% (2021: 8% to 18%) per annum and repayable within 1 year.

Unsecured interest-bearing other borrowing of HK$1,400,000,000 (2021: nil) is borrowed from a company incorporated in BVI which is ultimately controlled by Dr. Liu Zhiwei, the executive director of the Company, interest bearing at 2.5% per annum. Such borrowing was subsequently capitalised as share capital on 30 May 2022. Details of this transaction are set out in note 43 to the consolidated financial statements.

(d) Non-interest bearing borrowing represents RMB61,300,000 (equivalent to HK$75,448,000 (2021: HK$72,527,000)) loan due to 上海赫奇 for a potential investment opportunity in the PRC. The borrowing is non-interest bearing and repayable on demand.

(e) The average effective interest rate of bank and other borrowings during the year ended 31 March 2022 was 7.86% (2021: 6.06%) per annum.

30. LEASE LIABILITIES

	Lease payments		Present value of lease payments	
	2022	2021	**2022**	2021
	HK$'000	HK$'000	**HK$'000**	HK$'000
Within one year	**24,333**	31,228	**23,605**	29,635
Over one year but within two years	**4,592**	20,192	**4,384**	19,913
Over two years but within five years	**1,552**	–	**1,541**	–
	30,477	51,420		
Less: Future finance charge	**(947)**	(1,872)		
Present value of lease liabilities	**29,530**	49,548	**29,530**	49,548
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(23,605)**	(29,635)
Amount due for settlement after 12 months			**5,925**	19,913

As at 31 March 2022, the average effective borrowing rate was 4.82% (2021: 3.85%) per annum. Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

31. DEFERRED TAX

The following are the major deferred tax liabilities recognised by the Group:

	Unrealised fair value change on investments and related liabilities
	HK$'000
At 1 April 2020	–
Charge to profit or loss	(4,113)
At 31 March 2021 and 1 April 2021	**(4,113)**
Credit to profit or loss	**4,113**
At 31 March 2022	**–**

At the end of the reporting period, the Group did not recognise deferred tax assets of HK$96,926,000 (2021: HK$96,675,000) in respect of losses amounting to HK$586,090,000 (2021: HK$583,088,000) that can be carried forward against future taxable income. No deferred tax asset has been recognised due to the unpredictability of future profit streams. These tax losses will be carried forward indefinitely.

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32. SHARE CAPITAL

	Notes	Number of ordinary shares '000	Amount HK$'000
Authorised:			
Ordinary shares of HK$0.1 (2021: HK$0.1) each			
At 1 April 2020, 31 March 2021 and 1 April 2021		**4,000,000**	**400,000**
Addition	(a)	**16,000,000**	**1,600,000**
At 31 March 2022		**20,000,000**	**2,000,000**

	Notes	Number of ordinary shares '000	Amount HK$'000
Issued and fully paid:			
Ordinary shares of HK$0.1 (2021: HK$0.1) each			
At 1 April 2020, 31 March 2021 and 1 April 2021		**2,900,940**	**290,094**
Issue of shares	(b)	**580,188**	**58,019**
Issue of shares	(c)	**580,188**	**58,019**
At 31 March 2022		**4,061,316**	**406,132**

Notes:

(a) By ordinary resolution passed on 15 October 2021, the authorised share capital of the Company was increased from HK$400,000,000 divided into 4,000,000,000 ordinary shares of HK$0.10 each to HK$2,000,000,000 divided into 20,000,000,000 ordinary shares by the creation of an additional 16,000,000,000 ordinary shares, such new shares ranking pari passu in all respects with the existing shares of the Company.

(b) On 3 September 2021, the Company issued 580,188,000 ordinary new shares at a subscription price of HK$0.66 per share for a total cash consideration of HK$382,924,000.

(c) On 25 November 2021, the Company issued 580,188,000 ordinary new shares at a subscription price of HK$0.62 per share for a total cash consideration of HK$359,717,000.

Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Directors regard total equity as capital, for capital management purposes.

The Group manages its capital structure and makes adjustments to it, in light of change in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years ended 31 March 2022 and 2021.

Under the terms of the major borrowing facilities, the Group is required to comply with certain financial covenants, such as consolidated tangible net worth, ratio of consolidated net borrowing to consolidated tangible net worth, ratio of total liability to total asset, etc. The Group has complied with these covenants throughout the year by closely monitoring the Group's financial position and regularly re-visit the covenant requirements during operations to ensure full compliance.

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33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2022 HK$'000	2021 HK$'000
ASSETS		
Non-current assets		
Equipment	**90**	836
Right-of-use assets	**–**	439
Investments in subsidiaries	**778,915**	607,115
Amounts due from subsidiaries	**4,560,410**	1,873,912
Investments in associates and joint ventures	**133,848**	130,989
Investments at fair value through profit of loss	**954,584**	–
Debt investments	**–**	292,473
	6,427,847	2,905,764
Current assets		
Investments at fair value through profit or loss	**201,345**	747,869
Debt investments	**120,969**	256,900
Accounts and loans receivables	**3,604**	29,332
Interest receivables	**5,991**	17,266
Prepayments, deposits and other receivables	**4,080**	8,146
Pledged bank deposits	**20,000**	–
Bank and cash balances	**25,024**	13,351
	381,013	1,072,864
TOTAL ASSETS	**6,808,860**	3,978,628
EQUITY AND LIABILITIES		
Equity		
Share capital	**406,132**	290,094
Reserves	**4,860,424**	3,586,290
Total equity	**5,266,556**	3,876,384
Liabilities		
Current liabilities		
Other payables	**10,973**	14,063
Financial liabilities at fair value through profit or loss	**2,879**	6,331
Borrowings	**1,527,500**	80,000
Lease liabilities	**–**	933
	1,541,352	101,327
Non-current liabilities		
Financial liabilities at fair value through profit or loss	**952**	917
Total liabilities	**1,542,304**	102,244
TOTAL EQUITY AND LIABILITIES	**6,808,860**	3,978,628
NET ASSETS	**5,266,556**	3,876,384

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34. RESERVES

(a) The Group

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

(b) The Company

	Share premium HK$'000	Share-based payment reserve HK$'000	(Accumulated losses)/ retained profits HK$'000	Total HK$'000
At 1 April 2020	4,674,804	48,718	(1,174,882)	3,548,640
Total comprehensive income for the year	–	–	34,921	34,921
Share-based payments	–	2,729	–	2,729
Forfeiture of share options	–	(4,567)	4,567	–
At 31 March 2021	4,674,804	46,880	(1,135,394)	3,586,290
At 1 April 2021	**4,674,804**	**46,880**	**(1,135,394)**	**3,586,290**
Total comprehensive income for the year	**–**	**–**	**646,703**	**646,703**
Issue of shares	**626,603**	**–**	**–**	**626,603**
Share-based payments	**–**	**828**	**–**	**828**
Forfeiture of share options	**–**	**(32,739)**	**32,739**	**–**
At 31 March 2022	**5,301,407**	**14,969**	**(455,952)**	**4,860,424**

(c) Nature and purpose of reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees and other eligible participants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3 to the consolidated financial statements.

(iii) Surplus reserve

According to the PRC Company Law, the PRC subsidiaries/associates of the Group (excluding foreign investment enterprises) are required to transfer 10% of their profit after taxation, as determined under the PRC Accounting Regulations, to the statutory surplus reserve until the reserve balance reaches 50% of their registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders.

34. RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(iv) Exchange reserve

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies in note 3 to the consolidated financial statements.

35. NET ASSET VALUE PER SHARE

The net asset value per share is calculated by dividing the net asset value of the Group as at 31 March 2022 of HK$5,528,244,000 (2021: HK$4,527,179,000) by the number of ordinary shares in issue at that date, being 4,061,316,000 (2021: 2,900,940,000).

36. SHARE-BASED PAYMENTS

Under the Share Option Scheme adopted on 17 May 2016, the Board may at any time following the date of adoption and before the tenth anniversary thereof, offer to grant to certain selected classes of participants (including, among others, directors, employees and consultants) of the Company, an option to subscribe for shares as incentives or rewards for their contribution to the Company. The subscription price will be determined by the Board (subject to adjustment), and will not be less than the highest of (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of grant; and (c) the nominal value of the shares of the Company. A nominal consideration of HK$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this scheme and any other share option schemes adopted by the Company may not exceed 10% of the share capital of the Company in issue.

An option may be accepted by a participant within 21 days from the date of the offer for grant of the option. An option may be exercised in accordance with the terms of the share option scheme at any time not later than 10 years from the date on which the offer for grant of the option is made. Subject to the terms of the share options determined by the Board, the participant may have to meet certain vesting conditions before becoming unconditionally entitled to the share options. For the share options that existed during the years ended 31 March 2022 and 2021, vesting conditions includes performance conditions such as complete or successful exit of specified investment projects and market conditions such as the Company's market capitalisation. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

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36. SHARE-BASED PAYMENTS (continued)

Movement of the Company's share options during the year:

Date of grant of share options: 20 May 2016

		Number of share options				
Grantee	Exercisable period	Balance at 1 April 2020 '000	Lapsed during the year '000	**Balance at 31 March 2021 and 1 April 2021 '000**	**Expired during the year '000**	**Balance at 31 March 2022 '000**
Ex-director	20 May 2017 to 19 May 2021	1,750	–	**1,750**	**(1,750)**	**–**
	20 May 2018 to 19 May 2021	1,750	–	**1,750**	**(1,750)**	**–**
	20 May 2019 to 19 May 2021	1,750	–	**1,750**	**(1,750)**	**–**
	20 May 2020 to 19 May 2021	1,750	–	**1,750**	**(1,750)**	**–**
		7,000	–	**7,000**	**(7,000)**	**–**
Directors of group companies	20 May 2017 to 19 May 2021	4,500	–	**4,500**	**(4,500)**	**–**
	20 May 2018 to 19 May 2021	4,500	–	**4,500**	**(4,500)**	**–**
	20 May 2019 to 19 May 2021	4,500	–	**4,500**	**(4,500)**	**–**
	20 May 2020 to 19 May 2021	4,500	–	**4,500**	**(4,500)**	**–**
		18,000	–	**18,000**	**(18,000)**	**–**
Ex-employees	20 May 2017 to 19 May 2021	4,700	(750)	**3,950**	**(3,950)**	**–**
	20 May 2018 to 19 May 2021	5,000	(750)	**4,250**	**(4,250)**	**–**
	20 May 2019 to 19 May 2021	5,000	(750)	**4,250**	**(4,250)**	**–**
	20 May 2020 to 19 May 2021	5,000	(750)	**4,250**	**(4,250)**	**–**
		19,700	(3,000)	**16,700**	**(16,700)**	**–**
Consultants	20 May 2017 to 19 May 2021	1,250	–	**1,250**	**(1,250)**	**–**
	20 May 2018 to 19 May 2021	1,250	–	**1,250**	**(1,250)**	**–**
	20 May 2019 to 19 May 2021	1,250	–	**1,250**	**(1,250)**	**–**
	20 May 2020 to 19 May 2021	1,250	–	**1,250**	**(1,250)**	**–**
		5,000	–	**5,000**	**(5,000)**	**–**
		49,700	(3,000)	**46,700**	**(46,700)**	**–**

36. SHARE-BASED PAYMENTS (continued)

Movement of the Company's share options during the year: (continued)

Date of grant of share options: 1 February 2018

		Number of share options				
Grantee	Exercisable period	Balance at 1 April 2020 '000	Lapsed during the year '000	**Balance at 31 March 2021 and 1 April 2021 '000**	**Lapsed during the year '000**	**Balance at 31 March 2022 '000**
Ex-director	1 February 2019 to 31 January 2023	2,500	–	**2,500**	**–**	**2,500**
	1 February 2020 to 31 January 2023	2,500	–	**2,500**	**–**	**2,500**
	1 February 2021 to 31 January 2023	2,500	–	**2,500**	**–**	**2,500**
	1 February 2022 to 31 January 2023	2,500	–	**2,500**	**–**	**2,500**
		10,000	–	**10,000**	**–**	**10,000**
Employees and ex-employees	1 February 2019 to 31 January 2023	3,000	(750)	**2,250**	**(750)**	**1,500**
	1 February 2020 to 31 January 2023	3,000	(750)	**2,250**	**(750)**	**1,500**
	1 February 2021 to 31 January 2023	3,000	(750)	**2,250**	**(750)**	**1,500**
	1 February 2022 to 31 January 2023	3,000	(750)	**2,250**	**(750)**	**1,500**
		12,000	(3,000)	**9,000**	**(3,000)**	**6,000**
		22,000	(3,000)	**19,000**	**(3,000)**	**16,000**

36. SHARE-BASED PAYMENTS (continued)

The closing prices of the ordinary shares of the Company immediately before the date on option grant date were HK$1.45 and HK$2.57 on 20 May 2016 and 1 February 2018 respectively.

The Binomial Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Details of the share options granted on 20 May 2016 was as follows:

Theoretical aggregate value:	HK$32,822,000
Fair value recognised in profit or loss during the year:	Nil (2021: Nil)
Exercise price:	HK$1.65
Risk free interest rate:	1.079%
Expected volatility:	62.58%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	4.58%

Details of the share options granted on 1 February 2018 was as follows:

Theoretical aggregate value:	HK$20,539,000
Fair value recognised in profit or loss during the year:	HK$828,000 (2021: HK$2,729,000)
Exercise price:	HK$2.60
Risk free interest rate:	1.828%
Expected volatility:	43.30%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	0.93%

The measurement dates of the share options were 20 May 2016 and 1 February 2018, being the dates of grant of the share options. Where the grantees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest or lapse.

Options forfeited, if any, before the expiry of the options will be treated as lapsed options which will be added back to the number of ordinary shares available to be issued under the Share Option Scheme.

The expected volatility of the underlying security of the options was determined based on the historical volatility of the share prices of the Company, as extracted from Bloomberg and Reuters.

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37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Borrowings HK$'000	Interest payables HK$'000	Lease liabilities HK$'000	Total liabilities from financing activities HK$'000
At 1 April 2020	506,848	1,535	79,617	588,000
Changes in cash flows	15,700	(14,797)	(31,346)	(30,443)
Non-cash changes				
— Interest charged	–	22,038	3,007	25,045
— Lease modification	–	–	(1,730)	(1,730)
— Exchange difference	6,055	159	–	6,214
At 31 March 2021 and 1 April 2021	**528,603**	**8,935**	**49,548**	**587,086**
Changes in cash flows	**1,402,948**	**(24,145)**	**(33,387)**	**1,345,416**
Non-cash changes				
— Interest charged	**–**	**32,432**	**2,131**	**34,563**
— Addition	**–**	**–**	**11,296**	**11,296**
— Transfer	**49**	**(49)**	**–**	**–**
— Settlement	**(100,000)**	**(8,397)**	**–**	**(108,397)**
— Exchange difference	**13,369**	**460**	**(58)**	**13,771**
At 31 March 2022	**1,844,969**	**9,236**	**29,530**	**1,883,735**

(b) Major non-cash transaction

(i) Pursuant to 股份轉讓交易協議 dated 18 June 2019 and 股份轉讓交易協議之補充協議 dated 28 June 2019, signed between the Group, through one of its subsidiaries, and the seller, the Group determined to purchase a total of 63,202,590 shares, or 19.9% of total capital of Dagang Holding Group Co., Limited (stock code: 300103. SZ). The total consideration of RMB695,228,490, or RMB11 per share, is agreed to be paid in instalments based on certain contractual terms. The shares have been successfully transferred and registered under the Group as disclosed in the Company's announcement on 23 October 2020. As at 31 March 2021, prepaid consideration of HK$567,853,000 has already been fully transferred to investments at fair value through profit or loss and RMB177,979,000 (equivalent to HK$210,575,000), included in accounts payables, is payable to the seller.

(ii) During the year ended 31 March 2022, unsecured interest-bearing other borrowings, borrowed from a company incorporated in BVI which is ultimately controlled by Dr. Liu Zhiwei, the executive director of the Company, and its principal and interest payables of HK$100,000,000 and HK$8,397,000 respectively were settled by a debt investment.

38. CONTINGENT LIABILITIES

As at 31 March 2022, the Group and the Company did not have any significant contingent liabilities (2021: nil).

39. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	Notes	2022 HK$'000	2021 HK$'000
Capital contribution to 東英騰華	(a)	**110,772**	106,484
Capital contribution to OP Fine Billion L.P.	(b)	**5,000**	5,000
Capital contribution to 昆侖投資基金	(c)	**2,400**	2,400
Capital contribution to 東創智能	(d)	**3,692**	3,549
Capital contribution to Hengjiameilian	(e)	**150,221**	–
Capital contribution to 北京泰合萬峰投資管理有限公司 ("泰合萬峰")	(f)	**24,616**	–
		296,701	117,433

Notes:

(a) According to "Investment agreement" of 東英騰華, the Group has committed to a capital contribution of RMB90,000,000 (equivalent to HK$110,772,000 (2021: HK$106,484,000)) to 東英騰華. The capital will be drawn down on as-needed basis.

(b) According to the "Exempted Limited Partnership Agreement" signed between OPFI GP(2) Limited, as the general partner, and the limited partner on 24 November 2015, the Group has committed to a capital contribution of HK$5,000,000. The capital will be drawn down on as-needed basis.

(c) According to "Shareholders' Agreement" and "Supplementary to Shareholders' Agreement" signed by the Company and Great Wonderful Limited, a wholly-owned subsidiary of the Group, the Group has committed to a capital contribution of HK$3,000,000 to 昆侖投資基金. As at 31 March 2022, HK$600,000 (2021: HK$600,000) was paid. The capital will be drawn down on as-needed basis.

(d) According to "shareholders' resolution" of 東創智能, the Company has committed to a capital contribution of RMB3,000,000 (equivalent to HK$3,692,000 (2021: HK$3,549,000) to 東創智能. The capital will be drawn down on as-needed basis.

(e) According to Hengjiameilian Subscription Agreement of Hengjiameilian, the Group has committed to a capital contribution of HK$600,000,000 (equivalent to RMB472,035,000). As at 31 March 2022, HK$449,779,000 (2021: nil) has been paid. The capital will be drawn down on as-needed basis.

(f) According to Capital Increment Agreement of 泰合萬峰, the Group has committed to a capital contribution of RMB84,000,000 (equivalent to HK$103,387,000). Amount of RMB64,000,000 (equivalent to HK$78,771,000 was paid during the year. The balance of capital of RMB20,000,000 (equivalent to HK$24,616,000) was fully settled before date of this report.

40. RELATED PARTY TRANSACTIONS

Transactions and balances with related parties

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

Name of related party	Nature of transactions	Notes	2022 HK$'000	2021 HK$'000
Oriental Patron Asia Limited ("OPAL")	Investment management fee paid	(a)	–	9,756
Oriental Patron Securities Limited ("OPSL")	Securities brokerage fee	(b)	N/A	206
Finance Center for South-South Cooperation Limited ("FCSSCL")	Service fee	(c)	–	2,283
Oriental Patron Capital Partners Limited ("OPCPL")	Operating expenses reimbursement	(d)	–	770
Bestone Capital Limited (formerly known as Venture Partners Asset Management Limited) ("BCL")	Investment management fee	(e)	668	–
BCL	Investment management fee payable	(e)	247	–
Rich Fortune Allied Limited ("RFAL")	Office rent, building management fee and government rates payables	(f)	391	391

40. RELATED PARTY TRANSACTIONS (continued)

Transactions and balances with related parties (continued)

Notes:

(a) OPAL is the investment manager of the Company and is a wholly-owned subsidiary of Oriental Patron Financial Services Group Limited ("OPFSGL"). OPAL was considered as a related company of the Group as the directors, Mr. Zhang Zhi Ping and Mr. Zhang Gaobo have significant influence in OPFSGL. Mr. Zhang Zhi Ping and Mr. Zhang Gaobo were resigned as executive directors of the Company on 16 December 2020.

Pursuant to an investment management agreement ("New Investment Management Agreement") dated 18 July 2018 entered into between the Company and OPAL, OPAL agreed to provide the Company with investment and management services for a term from the first calendar day of the month immediately following the month upon the New Investment Management Agreement becoming effective until 31 March 2021. Pursuant to its terms, the investment management fee is HK$1,150,000 per month.

(b) OPSL was a related company as one of the directors, Mr. Zhang Gaobo has significant influence in OPSL. Mr. Zhang Gaobo was resigned as executive director of the Company on 16 December 2020.

Securities brokerage fee is charged at a range from 0.15% to 3.12% of the transaction proceeds.

(c) On 20 June 2016, the Company subscribed a HK$9,500,000 promissory note issued by FCSSCL. FCSSCL was considered a related company of the Group as it is owned 50% by one of the directors, Mr. Zhang Zhi Ping. Mr. Zhang Zhi Ping was resigned as executive director of the Company on 16 December 2020.

The promissory note carries interest at the rate of 5% per annum and payable annually on 22 June in each year in arrears.

On 29 July 2019, the Company entered into a service agreement with FCSSCL to which FCSSCL provided a series of services to the Company for a term of three years commencing from 30 July 2019 at an initial expansion cost and annual service fee of HK$2,700,000 and HK$2,425,000 respectively. The service fee payable will be set off against the principal amount of HK$9,500,000 and the last interest payment of HK$475,000, totalling HK$9,975,000 on the maturity date of FCSSCL promissory note, being 21 June 2019, on one-off basis, and the Company shall have no further obligation to pay any expenses. Prepaid service fee is amortised in proportion to services rendered by FCSSCL during the year.

(d) Pursuant to an agency agreement signed between the Company and OPCPL, OPCPL agreed to reimburse the actual expenses incurred by the Company, for a term of one year from 1 October 2019.

OPCPL was a related company as the directors, Mr. Zhang Zhi Ping and Mr. Zhang Gaobo have significant influence in OPCPL. Mr. Zhang Zhi Ping and Mr. Zhang Gaobo were resigned as executive directors of the Company on 16 December 2020.

(e) BCL is a related party to the Group as the executive director, Dr. Liu Zhiwei is an ultimate beneficial shareholder of BCL.

(f) RFAL is a related party to the Group as the director, Dr. Liu Zhiwei is a common director and ultimate beneficial shareholder of RFAL.

Compensation of key management personnel

The key management personnel of the Group comprises all directors, details of their remuneration are disclosed in note 12(a) to the consolidated financial statements.

41. ISSUE OF UNLISTED WARRANTS

On 13 January 2017, the Company entered into a consultancy agreement ("Consultancy Agreement") with Magopt Limited (the "Consultant"), a limited company incorporated in the BVI. Pursuant to the Consultancy Agreement (as supplemented by a supplemental agreement dated 13 March 2017), in consideration of and in exchange for the services to be provided by the Consultant, the Company has conditionally agreed to issue to the Consultant a total of 202,553,560 warrants ("Warrants") at zero issue price, carrying the right to subscribe for an aggregate of 202,553,560 shares of the Company at a subscription price of HK$2.20 per share. The Warrants will rank pari passu in all respects among themselves.

Pursuant to the consultancy agreement, the Consultant will assist the Company in acquiring and capturing investment opportunities ("Target Investments"), in the negotiation for achieving better investment terms and gains on the Target Investments.

The Consultant may exercise the subscription rights attaching to the Warrants from the date of issue of the Warrants to the date falling on the 5th anniversary of the date of issue of the Warrants ("Exercise Period"). The exercising of the subscription rights attaching to the Warrants is conditional and subject to the performance results of the consultant's services, details as below:

(a) 20% of the total Warrants may be exercised if the internal rate of return for the Target Investments for that financial year shall be not less than 38%, and the return on investment of the Target Investments for that financial year shall be not less than RMB200 million, or HK$226 million equivalent;

(b) all outstanding Warrants may be exercised by the Consultant during the Exercise Period if the aggregate return on investment of the Target Investments during the exercise period has reached RMB1,000 million, or HK$1,130 million equivalent; and

(c) all outstanding Warrants will be nullified and ceased to have effect if the Company fails to achieve and complete any Target Investment with the Consultant's assistance before 31 March 2018, or on the expiry of the Exercise Period.

Assuming the full exercise of the subscription rights attaching to the Warrants at the subscription price, it is expected that an additional gross amount of HK$446 million will be raised. The net proceeds (after deduction of all related expenses) will be used as the general working capital of the Company and for future investment pursuant to the investment objectives of the Company.

The Consultancy Agreement was approved by the shareholders of the Company in an extraordinary general meeting of the Company held on 30 March 2017.

The fair value of the Warrants is determined by the Directors by reference to the valuation calculated by the share option Binomial Model, which best represents the value of the consultation service received.

The conditions have not been met during the year and hence, no Warrant was issued to the Consultant.

The Consultancy Agreement expired on 31 March 2022, being the date of expiry of the fifth full financial year since the date of the Consultancy Agreement.

For the year ended 31 March 2022

42. PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP

Particulars of investments held by the Group as at 31 March 2022 disclosed pursuant to Chapter 21 of the Listing Rules are as follows:

Name of equity securities	Nature of business	Proportion of investee's capital owned (%)	Cost HK$'000	Carrying amount HK$'000	Net asset attributable to the Group HK$'000	Dividend received/ receivable HK$'000	Percentage of the Group's total assets (%)
Investments in associates							
TUVL — ordinary shares	Asset management	25.00%	351,671	394,353	394,353	14,921	*5.3%
CSOP — ordinary shares	Asset management	22.50%	60,000	103,742	103,742	46,734	1.39%
Investments at fair value through profit or loss							
OPIM — non-voting preference shares	Asset management	100.00%	58,000	37,800	37,800	–	0.51%
Victorian Investment Limited Partnership — contribution	Pharmaceutical and healthcare	46.15%	234,795	142,516	142,516	–	*1.92%
iCarbonX Group Limited — ordinary shares	Medical and healthcare	7.73%	1,098,790	1,000,551	1,000,551	–	*13.45%
華建實業投資有限公司	Investment holding	12.50%	370,000	367,261	367,261	–	*4.94%
Dagang Holding Group Co., Ltd	Manufacture and service of road construction, maintenance machinery and equipment	19.90%	822,560	739,781	739,781	–	*9.94%
Jiedaibao Limited	Internet-based financial services	2.49%	900,389	954,584	954,584	–	*12.83%
Ninth Eternity Asia Fund LP	Asset management	23.33%	700,000	699,701	699,701	–	*9.4%
Ninth Eternity Asia Fund II LP	Asset management	26.67%	800,000	799,626	799,626	–	*10.75%

Reference code	Principal activity of borrower	Borrower's purpose of loan	Tenure	Cost HK$'000	Carrying amount HK$'000	Net asset attributable to the Group HK$'000	Total interest for the year HK$'000	Interest detail	Percentage of the Group's total assets (%)
Debenture E	Trading	Unlisted debt investments	1 year	226,467	215,056	215,056	10,141	8% per annum, pay at maturity	*2.89%
Debenture F	Cultural and artistic development	Unlisted debt investments	1 year	244,929	232,588	232,588	10,275	8% per annum, pay at maturity	*3.13%

* Represents ten largest investments as at 31 March 2022.

42. PARTICULARS OF MAJOR INVESTMENTS HELD BY THE GROUP (continued)

Particulars of investments held by the Group as at 31 March 2021 disclosed pursuant to Chapter 21 of the Listing Rules are as follows:

Name of equity securities	Nature of business	Proportion of investee's capital owned (%)	Cost HK$'000	Carrying amount HK$'000	Net asset attributable to the Group HK$'000	Dividend received/ receivable HK$'000	Percentage of the Group's total assets (%)
Investments in associates							
TUVL — ordinary shares	Asset management	25%	351,671	446,757	446,757	14,418	#8.32%
CSOP — ordinary shares	Asset management	22.50%	60,000	103,831	103,831	25,439	#1.93%
Investments at fair value through profit or loss							
OPIM — non-voting preference shares	Asset management	100%	58,000	56,000	56,000	–	1.04%
Xiaoju Kuaizhi Inc. — preference shares	Mobile transportation platform	<1%	116,445	134,556	134,556	–	#2.51%
Victorian Investment Limited Partnership — contribution	Pharmaceutical and healthcare	46.15%	234,795	130,308	130,308	–	#2.43%
iCarbonX Group Limited — ordinary shares	Medical and healthcare	7.73%	1,098,790	1,149,379	1,149,379	–	#21.41%
華建實業投資有限公司	Investment holding	12.50%	370,000	388,379	388,379	–	#7.23%
Dagang Holding Group Co., Limited	Manufacture and service of road construction, maintenance machinery and equipment	19.90%	822,560	839,011	839,011	–	#15.63%
Jiedaibao Limited	Internet-based financial services	1.97%	700,000	700,000	700,000	–	#13.04%

Reference code	Principal activity of borrower	Borrower's purpose of loan	Tenure	Cost HK$'000	Carrying amount HK$'000	Net asset attributable to the Group HK$'000	Total interest for the year HK$'000	Interest detail	Percentage of the Group's total assets (%)
Debenture D	Private equity investments	Private equity investments	5 years	317,150	292,473	292,473	21,897	8% per annum, pay at maturity	#5.45%
Debenture H	Listed equity, listed and unlisted debt investments	Unlisted debt investments	24–45 months	383,000	140,000	140,000	21,817	7%–8% per annum, pay at maturity	#2.61%

Represents ten largest investments as at 31 March 2021.

43. EVENTS AFTER THE REPORTING PERIOD

On 30 May 2022, the Company issued and allotted 1,521,739,130 ordinary new shares (the "Capitalisation Shares") to Dr. Liu Zhiwei at an issue price of HK$0.92 per share pursuant to a loan capitalisation agreement dated 31 December 2021 entered into between the Company and Chunda International Capital Management Co., Ltd ("Chunda"). The aggregate consideration for the allotment and issue of the Capitalisation Shares of HK$1,400,000,000 was settled by way of set off against HK$1,400,000,000 ("Capitalised Amount") out of the outstanding principal amount of an unsecured loan bearing an interest rate of 2.5% per annum and amounting to HK$1,500,000,000 (the "Shareholder Loan") granted to the Company by Chunda on 10 December 2021 (the "Loan Capitalisation"). The nominal value of the Capitalisation Shares (with a par value of HK$0.1 each) is HK$152,173,913. The market price of the Capitalisation Shares based on the closing price of HK$0.8 per share as quoted on the Stock Exchange on the date of the Loan Capitalisation agreement.

An aggregate of 1,630,434,783 ordinary new shares (the "May 2022 Subscription Shares") were issued and allotted, as to 978,260,870 shares to Bright Victory International Limited ("Bright Victory") and 652,173,913 shares to Mr. Wang Delian ("Mr. Wang"), on 30 May 2022 at a subscription price of HK$0.92 per share for a total cash consideration of HK$1,500,000,000 pursuant to the subscription agreements entered into with Bright Victory and Mr. Wang on 31 December 2021. The aggregated nominal value of the May 2022 Subscription Shares (with a par value of HK$0.1 each) is HK$163,043,478.3. The market price of each of the May 2022 Subscription Shares was HK$0.8 per share based on the closing price of HK$0.74 per share as quoted on the Stock Exchange on the date of the subscription agreements. The aggregate net proceeds of the May 2022 Subscription Shares, after the deduction of all relevant fees and expenses, was approximately HK$1,499,000,000, representing a net subscription price of approximately HK$0.92 per share.

The Company considered that the Loan Capitalisation was conducive to strengthening the financial position of the Group and beneficial to the Company and its shareholders as a whole as it allowed the Company to settle substantial portion of the Shareholder Loan, without utilising the existing financial resources of the Group which could in lieu be retained for other suitable investment opportunities with positive return prospect. In addition, upon completion of the Loan Capitalisation, the Company would no longer be liable for payment of the accrued interest expenses attributable to the Capitalised Amount and thus, achieve cost-saving favourable to the Company and the shareholders as whole. The Loan Capitalisation could also immediately reduce the gearing ratio of the Group and hence improve its financial position.

With respect to the issue of May 2022 Subscription Shares, it was considered that the proposed fundraising by way of issue of May 2022 Subscription Shares could provide the Company with a definite amount of share capital and strengthen the Group's financial position. The use of proceeds from the issue of May 2022 Subscription Shares was consistent with the investment strategy of the Group which could enrich the investment portfolio. Bright Victory, who is also a substantial shareholder of the Company, is intended to be a long-term strategic partner to the Company with continued capital support to fund the investment plans of the Group, bringing strategic value to the Company. It also shows the confidence and support of Bright Victory as a substantial shareholder of the Company towards the longterm development of the Group. Mr. Wang has more than 10 years of investment experience in private equity investment and securities investment and has extensively participated in investment in mainland China and overseas markets, and he also focuses on art business markets. It is considered that the introduction of Mr. Wang as a shareholder of the Company will enable the Company to leverage Mr. Wang's connection in the market with high-quality investors.

The net proceeds from the issue of May 2022 Subscription Shares were used for funding investment projects of the Company.

44. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 24 June 2022.

FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out below. This summary does not form part of the audited financial statements.

	Year ended 31 March				
	2022	2021	2020	2019	2018
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Results					
Turnover	**271,503**	624,258	352,164	1,784,148	430,744
Revenue	**93,929**	110,522	181,816	227,892	125,437
Profit/(loss) before tax	**217,160**	376,669	(1,366,617)	277,159	136,262
Income tax credit/(expense)	**4,113**	(4,113)	(6,057)	(20,469)	7,158
Profit/(loss) for the year	**221,273**	372,556	(1,372,674)	256,690	143,420
Other comprehensive income/(expense)	**36,323**	37,449	(15,331)	(249)	52,730
Total comprehensive income/(expense)	**257,596**	410,005	(1,388,005)	256,441	196,150

	At 31 March				
	2022	2021	2020	2019	2018
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Assets and liabilities					
Total assets	**7,441,213**	5,368,288	4,775,088	5,875,752	6,149,840
Total liabilities	**(1,912,969)**	(841,109)	(660,643)	(245,289)	(554,982)
Net assets	**5,528,244**	4,527,179	4,114,445	5,630,463	5,594,858