SOUTHEAST ASIA PROPERTIES & FINANCE LIMITED

Stock code : 252

ANNUAL REPORT

2021/22

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Chua Nai Tuen
(Chairman and Managing Director)
Mr. Nelson Junior Chua

Non-Executive Directors

Mr. Chan Man Hon, Eric
Mr. Jimmy Siy Tiong
Mr. Tsai Han Yung
Ms. Vivian Chua

Independent Non-Executive Directors

Mr. Chan Siu Ting
Mr. James L. Kwok
Mr. Wong Shek Keung
Mr. Tsui Ka Wah

AUDIT COMMITTEE

Mr. Chan Siu Ting *(Chairman)*
Mr. Chan Man Hon, Eric
Mr. James L. Kwok
Mr. Tsai Han Yung
Mr. Wong Shek Keung
Mr. Tsui Ka Wah

REMUNERATION COMMITTEE

Mr. James L. Kwok *(Chairman)*
Mr. Chua Nai Tuen
Mr. Chan Man Hon, Eric
Mr. Chan Siu Ting
Mr. Wong Shek Keung

NOMINATION COMMITTEE

Mr. Tsui Ka Wah *(Chairman)*
Mr. Chua Nai Tuen
Mr. Chan Man Hon, Eric
Mr. Chan Siu Ting
Mr. James L. Kwok

PRINCIPAL BANKERS

China CITIC Bank International Limited
China Construction Bank (Asia)
Corporation Limited
Hang Seng Bank Limited
OCBC Wing Hang Bank Limited

SOLICITORS

Vincent T. K. Cheung, Yap & Co.

AUDITORS

Grant Thornton Hong Kong Limited
Certified Public Accountants

COMPANY SECRETARY

Mr. Lam Wing Yiu

REGISTERED OFFICE

Units 407–410, 4th Floor, Tower 2,
Silvercord, No. 30 Canton Road,
Tsimshatsui, Kowloon, Hong Kong

SHARE REGISTRAR

General Secretarial Services Limited,
26th Floor, KP Tower,
93 King's Road, North Point,
Hong Kong

STOCK CODE

252

INTERNET ADDRESS HOMEPAGE

www.seapnf.com.hk

DIRECTORS AND SENIOR MANAGEMENT PROFILE

EXECUTIVE DIRECTORS

Mr. Chua Nai Tuen, aged 69, was appointed as an Executive Director and Managing Director in 1973 and was further appointed as Chairman of the Company in 2000. He is a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Chua is responsible for the formulation and execution of the Group's overall strategic planning, business development and seeking business opportunities for the Group. He is also the Director of other companies in the Group. He has over 40 years' experience in finance, property investment and development, hotel, manufacturing and distribution of plastics packaging materials business.

Mr. Nelson Junior Chua, aged 43 was appointed as a Non-executive Director of the Company on 15 April 2008 and was re-designated as an Executive Director on 16 July 2010. He has been appointed as an Authorised Representative of the Company with effect from 1 April 2014. He is also the Director of other companies in the Group. Mr. Nelson Junior Chua has over 15 years' experience in financial information analysis and research. He graduated from the Queen Mary & Westfield College in United Kingdom and obtained a Bachelor's degree in Molecular Biology.

NON-EXECUTIVE DIRECTORS

Mr. Chan Man Hon, Eric, aged 65, was first appointed as an Independent Non-executive Director of the Company in 1994 and was re-designated as a Non-executive Director in 2005. Mr. Chan is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Chan is a practising solicitor in Hong Kong. He obtained a Bachelor of Laws degree from the University of Hong Kong and was admitted as a solicitor in Hong Kong in 1981. He was further admitted as a solicitor in England and Australia in 1984 and 1985 respectively. He is a consultant of Vincent T. K. Cheung, Yap & Co.

Mr. Jimmy Siy Tiong, aged 85, was appointed as a Non-executive Director of the Company in 1978. Mr. Siy was the former President of Sanyo Philippines Inc., a company incorporated in the Philippines.

Mr. Tsai Han Yung, aged 56, was appointed as a Non-executive Director of the Company in 2000 and was further appointed as a member of the Audit Committee in 2001. Mr. Tsai holds management positions in certain companies in Taiwan.

Ms. Vivian Chua, aged 42, was appointed as a Non-executive Director of the Company on 15 April 2008. Ms. Chua joined the Group in 2005. She is a Marketing and Planning Analyst of Nan Sing Plastics Limited and an Assistant Manager responsible for the Group's property management. She graduated from The University of British Columbia in Canada and obtained a Bachelor's degree in Commerce.

DIRECTORS AND SENIOR MANAGEMENT PROFILE

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Siu Ting, aged 70, was appointed as an Independent Non-executive Director of the Company in 2006. Mr. Chan is the Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee of the Company. Mr. Chan has been practising as a Certified Public Accountant in Hong Kong for over 30 years. He is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and a member of The Institute of Chartered Accountants in England and Wales. He is currently a Director of Wong Chan Lau C.P.A. Company Limited, Certified Public Accountants (Practising).

Mr. James L. Kwok, aged 70, was appointed as an Independent Non-executive Director of the Company in 1994. Mr. Kwok is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company. Mr. Kwok obtained a MBA degree from the Wharton School, University of Pennsylvania. He started his career in banking and had held the position of manager of the Asian portfolios of a major American bank in Hong Kong. For the past two decades, he held a management position in a group of private companies in Hong Kong and North America which were involved in general trading, property investment and garment business.

Mr. Wong Shek Keung, aged 78, was appointed as an Independent Non-executive Director of the Company in 2005. Mr. Wong is a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Wong has over 40 years' extensive experience in banking, finance and administration. He had held a senior position of a reputable French bank's Hong Kong Branch and had been an advisor to the Chairman of a down manufacturing company in Mainland China.

Mr. Tsui Ka Wah, aged 69, was appointed as an Independent Non-executive Director of the Company in 2012. Mr. Tsui is the Chairman of the Nomination Committee and a member of the Audit Committee of the Company. Mr. Tsui has extensive experience in banking industry with US based and local banks, and has held various managerial positions in corporate, retail and private banking. He was the President of the Greater China Region of a US-based bank, overseeing operations in Taiwan, Mainland China and Hong Kong. Mr. Tsui holds a Bachelor of Arts degree and a Master of Business Administration from the Chinese University of Hong Kong. Currently, Mr. Tsui is an Independent Non-executive Director of Oriental Explorer Holdings Limited (stock code: 430), Multifield International Holdings Limited (stock code: 898) and Grand Ming Group Holdings Limited (stock code: 1271) respectively whose shares are listed on the Stock Exchange of Hong Kong Limited. Mr. Tsui is presently the CEO of SME Credit Company Ltd.

SENIOR MANAGEMENT

Mr. Gilson Chua, aged 42, joined the Group in 2002. He is the Director and Deputy General Manager of Nan Sing Plastics Limited and he is also the Director of other companies in the Group. He graduated from the University of Warwick in United Kingdom and obtained a Bachelor's degree in Computer and Business Studies.

Mr. Choy Tin Woo, Johnnie, aged 67, is the Executive Director and Responsible Officer of Stockwell Securities Limited and Stockwell Commodities Limited. He is also the Director of other companies in the Group. Mr. Choy joined the Group in 1976 and is responsible for the Group's securities and commodities dealings.

Mr. Fu Ka Tsang, aged 64, is the General Manager of the Company and he is also a Director of other companies in the Group. Mr. Fu joined the Group in 1995 and is responsible for the Group's manufacturing business.

Mr. Lam Wing Yiu, aged 36, is the Group Financial Controller, Company Secretary and Authorised Representative of the Company. Mr. Lam joined the Group in 2017 and is being responsible for oversight of the Group's financial and accounting operations and also overall company secretarial matters. Mr. Lam has more than 10 years of experience in accounting and finance related work. Mr. Lam obtained a master of business administration from Fudan University and a bachelor of business administration in accounting from the Hong Kong University of Science and Technology. Mr. Lam is currently a member of the Hong Kong Institute of Certified Public Accountants, a member of the Hong Kong Chartered Governance Institute (formerly known as the Hong Kong Institute of Chartered Secretaries) and a member of Chartered Governance Institute (formerly known as the Institute of Chartered Secretaries and Administrators).

Messrs. Chua Nai Tuen, Jimmy Siy Tiong and Tsai Han Yung are brothers. Messrs. Nelson Junior Chua and Gilson Chua are the sons of Mr. Chua Nai Tuen. Ms. Vivian Chua is the niece of Messrs. Chua Nai Tuen, Jimmy Siy Tiong and Tsai Han Yung and she is the cousin of Messrs. Nelson Junior Chua and Gilson Chua. Save as disclosed, the directors and senior management do not have any relationships as set out in Rule 12 of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

CHAIRMAN'S STATEMENT

On behalf of the board (the "Board") of directors (the "Directors") of Southeast Asia Properties & Finance Limited (the "Company", together with its subsidiaries, the "Group"), I am pleased to submit to the shareholders (the "Shareholders") the annual report of the Group for the year ended 31 March 2022.

RESULTS

During the year, revenue was HK$274.4 million (2021: HK$260.3 million), the profit attributable to owners of the Company was HK$26.5 million (2021: HK$6.3 million) and earnings per share was HK11.8 cents (2021: HK2.8 cents).

During the year, the Group's profit before tax was HK$30.9 million (2021: HK$17.3 million). Given below is an analysis of the profit from operations of the Group's principal activities:

	2022 HK$'000	2021 HK$'000
Property investment, development and leasing/hotel operation	**(10,110)**	(15,229)
Manufacturing and distribution of plastics packaging materials	**22,410**	32,589
Broking and securities margin financing	**10,643**	6,615
Gain on disposal of subsidiaries	**–**	53,407
Gain on deregistration of subsidiaries	**604**	–
Profit/(Loss) arising on change in fair value of investment properties	**18,709**	(47,586)
Profit from operations	**42,256**	29,796
Unallocated finance costs	**(5,033)**	(7,293)
Share of results of associates	**(696)**	(3,397)
Impairment loss recognised in respect of amount due from an associate	**(5,580)**	(1,783)
Profit before income tax	**30,947**	17,323

DIVIDENDS

The Board has recommended the payment of a final dividend of HK3 cents per ordinary share (2021: HK3 cents per ordinary share) in respect of the year ended 31 March 2022 to all Shareholders of the Company whose name appear on the register of members of the Company on 2 September 2022. Subject to the approval of shareholders at the forthcoming annual general meeting (the "AGM"), the payment of the final dividend will be made on 7 October 2022.

ANNUAL GENERAL MEETING

The AGM will be convened to be held on Friday, 26 August 2022. The Notice of AGM will be published on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange")_ and sent to the shareholders of the Company, together with the Company's 2021/22 Annual Report, in due course.

CLOSURE OF REGISTER OF MEMBERS FOR AGM

The register of members of the Company will be closed from Tuesday, 23 August 2022 to Friday, 26 August 2022, both days inclusive, during which period no share transfers can be registered. In order to eligible to attend and vote at the AGM, all transfer, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, General Secretarial Services Limited at 26th Floor, KP Tower, 93 King's Road, North Point, Hong Kong, not later than 4:30 p.m. on Monday, 22 August 2022.

CLOSURE OF REGISTER OF MEMBERS FOR FINAL DIVIDEND

The register of members of the Company will be closed from Thursday, 1 September 2022 to Friday, 2 September 2022, both dates inclusive, during which period no share transfers can be registered. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar, General Secretarial Services Limited at 26th Floor, KP Tower, 93 King's Road, North Point, Hong Kong, not later than 4:30 p.m. on Wednesday, 31 August 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Review

For the year ended 31 March 2022, the Group recorded revenue of HK$274.4 million, representing an increase of HK$14.1 million, or 5.4% as compared with HK$260.3 million for the year ended 31 March 2021. The Group recorded a profit for the year attributable to owners of the Company of HK$26.5 million, an increase of HK$20.2 million, or 323.1% as compared to a profit of HK$6.3 million in the last financial year. The increase in profit were mainly attributable to the gain on change in fair value of investment properties of HK$18.7 million as compared with a loss of HK$47.6 million in the preceding year, net-off by the decrease in gain on disposal of subsidiaries of HK$53.4 million.

Property Investment, Development and Leasing/Hotel Operation

This segment comprises property investment, development and leasing in Hong Kong and the People's Republic of China (the "PRC") and operating a hotel in Hong Kong. For the year ended 31 March 2022, this segment recorded revenue of HK$12.3 million representing, a decrease of HK$4.2 million or 25.4% as compared with HK$16.5 million for the year ended 31 March 2021. Loss from operations was HK$10.1 million, representing a decrease in loss of HK$5.1 million, or 33.6% as compared with loss from operations of HK$15.2 million for the year ended 31 March 2021. The decrease in loss was mainly attributable to the HK$11.2 million write-off of property, plant and equipment recognized in the last financial year due to the demolition of the hotel.

(i) Property Investment, Development and Leasing

Most of the Group's investment properties were leased out to generate steady rental income for the Group. For the year ended 31 March 2022, the total rental income and rental related income amounted to HK$12.3 million, representing a decrease of HK$3.7 million, or 22.9% as compared with HK$16.0 million for the year ended 31 March 2021. It was mainly attributable to lease termination of shops on ground floor of hotel building due to alteration and addition works since September 2020.

(ii) Hotel Operation

Our hotel operation was suspended since 1 June 2020 for alteration and addition works, hotel accommodation income recorded for the year ended 31 March 2021 was HK$0.5 million.

Manufacturing and Distribution of Plastic Packaging Materials

For the year ended 31 March 2022, this segment recorded a revenue of HK$242.6 million, an increase of HK$18.0 million or 8.0% as compared with HK$224.6 million for the year ended 31 March 2021. However, the segment profit was HK$22.4 million, a decrease of HK$10.2 million or 31.2% as compared with HK$32.6 million for the year ended 31 March 2021, due to the increase in cost of sales, particularly cost of raw materials and ocean freights, and the relief measures by both the PRC and Hong Kong Government in 2020 wears off.

Lingering virus-mitigation measures continue to limit efforts to return the supply chain to pre-pandemic levels, instigating the cost of both raw materials and logistics to record high. Furthermore, the United States dollar has strengthened against a basket of major currencies, which in turn impacted our customers' sentiment towards their sales forecast and delayed their marketing and procurement decisions.

Broking and Securities Margin Financing

With the fifth wave of COVID-19 pandemic rampaging in Hong Kong and variant of virus lingering over countries, continuous lockdowns led to a tougher business environment. Tensions between Russia and Ukraine will likely cause more uncertainties amid the already fragile global economy.

Market was influenced by lots of negative factors which affected investors' confidence. Recently, the PRC authorities has imposed series of regulatory policy on various sectors, and also the Chinese concept stocks listed in the United States are facing the risk of being delisted if they could not fulfill the accounting standards required by them.

The momentum of the worldwide investment market was weak. Dow Jones and Nasdaq fell into 'bear zone', Hong Kong stock market was inevitably dragged down by the sentiment. During the reporting period, Hang Seng Index dropped from its highest point of 29,305 in June 2021 to its lowest points of 18,235 in March 2022, a drop of almost 11,000 points. The average daily turnover was about HK$167 billion.

For the year ended 31 March 2022, the brokerage commission was HK$8.2 million, a decrease of HK$2.8 million or 25.8% as compared with HK$11.0 million for the year ended 31 March 2021 due to shrinkage in market turnover under the uncertain economic situation. However, the interest received from clients increased by HK$2.0 million to HK$9.6 million or 26.3% as compared to HK$7.6 million recorded for the year ended 31 March 2021. The segment profit amounted to HK$10.6 million, an increase of HK$4.0 million or 60.9% as compared to the profit of HK$6.6 million for the year ended 31 March 2021. The increase in segment profit was mainly attributed to the increase in gain arising from financial assets at fair value through profit & loss amounted to HK$3.5 million and the increase in dividend income by HK$1.1 million.

Strategic and Prospects

Looking ahead, as the instability and the volatility of global environment and the evolving global pandemic are predicted to persist, our businesses may be adversely affected. To cope with the uncertainties, we will cautiously review and adjust our business strategies from time to time.

Property Investment, Development and Leasing/Hotel Operation

(i) *Property Investment, Development and Leasing*

The pandemic, global uncertainty stoked by the Ukraine crisis and shaky world economy slowed the recovery of Hong Kong's property market. Accordingly, certain leases will be adjusted during contract renewal according to market conditions. Due to the Group's diversified property portfolio, rental income from the Group's investment properties is expected to remain stable. Our Phase 3 development project in Everglory Centre involves the conversion of 5 more floors into serviced office units, which will be packaged with prestige corporate services tailored for small and medium enterprises. The conversion project is expected to complete in the first half of 2023, which will significantly increase the revenue generated by the building.

The Group will monitor the market closely and consider different opportunities and strategies in order to make use of our property portfolio to generate favourable return.

(ii) *Hotel Operation*

The Group has suspended its hotel operation business in Hong Kong from 1 June 2020 for alterations and addition works. There was slight delay in the construction of the foundation work due to the COVID-19 pandemic. According to the current progress of the works on site, the foundation work is expected to be completed in August 2022. The superstructure work will then commence after completion of the foundation work.

Manufacturing and Distribution of Plastic Packaging Materials

With the global pandemic lingering on and the prolong conflicts between Russia-Ukraine continues, it is unpredictable when the global economy can recover. Furthermore, European Union issued a directive 2019/904 phasing out unnecessary single use plastic (SUP) products, reduce consumption and transition to reusable alternatives will have significant implication to the global plastics industry.

In face with the current challenges, we will continue to optimize and upgrade our manufacturing facilities to enhance competitiveness, promote uptake of recycle plastics and propose adding plastic identification codes to facilitate the collection for recycling in the future.

Broking and Securities Margin Financing

Looking ahead, there are still lots of marco-element unflavored the investment market. The United States Federal Reserve has launched its scale of increase in interest rate as from March 2022 and expected to contract the volume of the Quantitative Ease (QE) later this year. Market is waiting to respond to the degree of progress.

Moreover, the geographic tension between Russia and Ukraine, countries are taking measures to sanction against Russia that would push up the persistently high-level energy, food prices and maritime transportation costs. As a result, it would threaten the global supply chains and trigger risk of inflation.

In the volatile market situation, we adjust our marketing and operating strategies on a prudent basis timely. At the same time, we encourage our account executives and clients to work from home by using our on-line trading platform during the pandemic period.

According to the statistics of the Stock Exchange, Stockwell Securities Limited ("SSL") ranked for the position of 121 among the total number of 602 Exchange Participants in 2021.

SSL has been established in Hong Kong for about 40 years, and will carry out amalgamation with Stockwell Commodities Limited on 1 July 2022.

Liquidity and Financial Resources

The Group takes a consistent capital management strategy, providing adequate liquidity to meet the requirement of the Group's developments and operations and monitors its capital on the basis of net debt to equity ratio.

As at 31 March 2022, the Group's net current liabilities was HK$52.9 million (2021: net current assets of HK$204.5 million). The Group changed from a net current assets position in 2021 to net current liabilities position in 2022 mainly because of a five-year term loan with remaining balance of approximately HK$166.0 million would be mature in the coming financial year and was reclassified from non-current to current borrowings as at 31 March 2022. The directors are of the opinion that the Group will have sufficient working capital to finance its operations and continue as a going concern given that: (i) the Group had bank balances and cash of HK$83.5 million as at 31 March 2022 which enable the Group to meet its payment obligations at all times; (ii) as at 31 March 2022, the Group had undrawn facilities totalling HK$171.1 million which were the overdraft and the revolving loan facilities granted by the banks; (iii) the directors have reviewed the likelihood of renewal of the term loan, which the directors believed that the term loan can be renewed upon the expiry; and (iv) the management has prepared cash flow forecasts which demonstrated that the Group had sufficient working capital over the next twelve months from the reporting date.

As at 31 March 2022, cash and cash equivalents were HK$83.5 million (2021: HK$159.6 million) and trade and other receivables were HK$154.8 million (2021: HK$120.2 million). Trade and other payables were HK$145.0 million (2021: HK$134.4 million). The decrease in cash and cash equivalents were mainly attributable to subscription of additional interests for investment in a PRC property and the payment of alteration and addition works of our hotel.

As at 31 March 2022, the Group's bank loans were HK$337.2 million (2021: HK$275.2 million), in which the short term borrowings amounted to HK$337.2 million (2021: HK$106.9 million) and long term borrowings amounted to HK$nil (2021: HK$168.3 million). The Group's current year net debt to equity ratio was 23.5% (2021: 10.7%), calculated on the basis of the Group's total debts less restricted cash and cash and cash equivalents divided by total equity attributable to owners of the Company. The net debt to equity ratio increased significantly due to increase in bank loans and decease in cash and cash equivalents during the year.

Capital Structure

As at 31 March 2022, the total equity attributable to owners of the Company amounted to HK$1,063.9 million (2021: HK$1,038.0 million). The Group's consolidated net assets per share as at the reporting date was HK$4.8 (2021: HK$4.7).

Foreign Exchange Exposure

The Group operates in Hong Kong and PRC and majority of transactions are denominated in HK$, United States dollar ("US$") and Renminbi ("RMB"). Foreign exchange risk arises from commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group entities.

The Group currently does not have a foreign currency hedge policy. In order to mitigate the foreign currency risk, management closely monitors such risks and will consider hedging significant foreign currency exposure should the need arise.

The Group is not exposed to significant foreign exchange risk in respect of HK$ against the US$ as long as this currency is pegged.

Material Acquisitions and Disposals

During the year ended 31 March 2022, there was no material acquisitions or disposals of subsidiaries or associated companies.

On 25 January 2021, the Group disposed its entire interest in a direct wholly-owned subsidiary, Nan Sing Investment Limited, together with a wholly-owned subsidiary, Nan Sing Realty Company Limited to an independent third party at a consideration of HK$179,825,621, which was settled in January 2021.

APPRECIATION

Finally, I would like to thank the Board and all the staffs for their diligence and dedication in the past year.

Chua Nai Tuen
Chairman

Hong Kong, 29 June 2022

CORPORATE GOVERNANCE PRACTICES

The Company is dedicated to attaining and maintaining high standards of corporate governance. The Directors recognise that good corporate governance practices and procedures are essential to ensure the Company's transparency and accountability and to its long term success as well as to enhance the value of the Shareholders and safeguard their interests. The Company has adopted the code provision (the "Code Provision") of the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange as its own code of corporate governance.

Throughout the year ended 31 March 2022, the Company has complied with the CG Code save as disclosed in the paragraph headed "Chairman and Chief Executive Officer", "Chairman's Meeting with Independent Non-executive Directors" and "Annual General Meeting" below.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules (the "Model Code"). Having made specific enquiry of all Directors of the Company, they have confirmed that they have complied with the Model Code during the year.

THE BOARD OF DIRECTORS

(i) Composition of the Board, number of Board meetings and Directors' attendance

The Board comprises ten Directors as at the date of this report. Biographical details of Directors and relationship among Directors are disclosed in "Directors and Senior Management Profile" of the Annual Report. The Company's Board has a balance of skills and experience and a balanced composition of executive and non-executive directors. Eight full board meetings were held during the year. Senior management executives may, from time to time, be invited to attend the board meetings for making presentation and/or answering any queries that may be raised by the Board. All Directors have access to the advice and services of the company secretary and independent professional advice may be sought by the Directors if required.

Each Director of the Company has been appointed on the strength of his/her calibre, experience and his/her potential to contribute to the proper guidance of the Group and its businesses. Apart from formal meetings, matters requiring board approval were arranged by means of circulation of written resolutions.

The Board has set up three committees, namely the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee") to oversee particular aspects of the Group's affairs. The committees are provided with sufficient resources to discharge their duties and are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

The attendance records of individual Directors at Board Meetings (BM), Audit Committee Meetings (ACM), Remuneration Committee Meetings (RCM), Nomination Committee Meeting (NCM) and AGM during the financial year are set out below:

	BM	ACM	RCM	NCM	AGM
Chua Nai Tuen	9/12	–	1/1	1/1	1/1
Nelson Junior Chua	12/12	–	–	–	1/1
Chan Man Hon, Eric	4/12	4/4	1/1	1/1	1/1
Jimmy Siy Tiong	0/12	–	–	–	0/1
Tsai Han Yung	4/12	4/4	–	–	1/1
Vivian Chua	7/12	–	–	–	1/1
Chan Siu Ting	4/12	4/4	1/1	1/1	1/1
James L. Kwok	4/12	4/4	1/1	1/1	1/1
Wong Shek Keung	4/12	4/4	1/1	–	1/1
Tsui Ka Wah	4/12	4/4	–	1/1	1/1

(ii) The Operation of the Board

The Company is headed by an effective Board which takes decisions objectively in the interests of the Company. The Company's management has closely monitored changes to regulations that affect its corporate affairs and businesses and changes to accounting standards, and adopted an appropriate reporting format in its interim report, annual report and other documents to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospects. Where these changes are pertinent to the Company or Directors' disclosure obligations, the Directors are briefed during Board Meetings to keep them abreast of their responsibilities and of the conduct, business activities and development of the Group. Newly appointed Directors receive information on their legal and other responsibilities as a Director and the role of the Board. The Company has also provided appropriate information in a timely manner to the Directors to enable them to make an informed decision and to discharge their duties and responsibilities as Directors of the Company. Decisions on important matters, including those affecting the Group's strategic policies, major investments and funding decisions are specifically reserved to the Board whereas decisions on the Group's general operations are delegated to the management.

Moreover, the Company has maintained a procedure for its directors to seek independent professional advice, in appropriate circumstances, at the Company's expense in discharging their duties to the Company.

(iii) Directors' and Officers' Liability

Appropriate insurance cover on directors' and officers' liabilities has been in force to protect the Directors and Officers of the Group from their risk exposure arising from the businesses of the Group.

(iv) Directors' Continuous Training and Development

The Directors are encouraged to 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. The Directors are regularly briefed on the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime with written materials. All Directors have provided record of training and the Company will continue to arrange the training in accordance with paragraph A.6.5 of the Code Provisions.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Chua Nai Tuen serves as the Chairman and also the Chief Executive Officer of the Company. This is a deviation from the Code Provision A.2.1 with respect to the roles of Chairman and Chief Executive Officer to be performed by different individuals.

After reviewing the management structure, the Board is of the opinion that Board decisions are collective decisions of all Directors made by way of voting and not decisions of the Chairman of the Board alone. Further, there is a clear division of responsibilities with independent operations between the Board members and the management of the day-to-day business of the Company.

As such, the power of management of the Company is not concentrated in any one individual. The Board considers that the present structure will not impair the balance of power and authority between the Board and the management of the Group.

CHAIRMAN'S MEETING WITH INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to Code Provision A.2.7, the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the year ended 31 March 2022, a formal meeting could not be arranged between the chairman and the independent non-executive directors without the presence of other directors due to the tight schedules of the chairman and the independent non-executive directors. Although such meeting was not held during the year, the chairman has delegated the company secretary of the Company to gather any concerns and/or questions that the independent non-executive directors might have and report to him for setting up follow-up meetings, whenever necessary.

ANNUAL GENERAL MEETING

Pursuant to Code Provision A.6.7, independent non-executive directors and non-executive directors, as equal board members, should attend general meeting of the Company. During the year, a non-executive director and was unable to attend the AGM of the Company held on 27 August 2021 as he had other business engagements.

NON-EXECUTIVE DIRECTORS

All non-executive Directors were appointed for a term of three years and also subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the relevant provisions of the Company's Bye-laws. At the Board meetings and Board committee meetings where constructive views and comments of the non-executive Directors are given, the non-executive Directors provide independent judgement on the issues relating to the strategy, performance, conflict of interest and management process.

REMUNERATION OF DIRECTORS

The Company has set up a Remuneration Committee consisting of three independent non-executive directors, one executive director and one non-executive director. Mr. James L. Kwok is currently the Chairman of the Remuneration Committee.

During the year ended 31 March 2022, the Remuneration Committee held one meeting and also dealt with matters by way of circulation. The terms of reference of the Remuneration Committee are aligned with the provisions set out in the Code. Given below are the main duties of the Remuneration Committee:

(i) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management;

(ii) to have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management;

(iii) to review and approve the remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

(iv) to review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment;

(v) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct; and

(vi) to ensure that no director or any of his associates is involved in deciding his own remuneration.

The work performed by the Remuneration Committee during the year is summarised below:

(i) review of the Company's policy and structure of all remuneration of Directors and senior management;

(ii) consideration of the emoluments for all Directors and senior management; and

(iii) review of the level of Directors' fees.

The basis of determining the emoluments payable to its Directors and senior management by the Company ties with their duties and responsibilities within the Group. The Directors' fees are from time to time approved by the Shareholders of the Company and they are regularly reviewed and compared with other listed companies in Hong Kong.

NOMINATION OF DIRECTORS

The Company has established the Nomination Committee in compliance with the Listing Rules. The Nomination Committee currently comprises one executive Director, one non-executive Director and three independent non-executive Directors. Mr. Tsui Ka Wah is currently the Chairman of the Nomination Committee.

The Nomination Committee is primarily responsible for considering and nominating suitable candidates to become members of the Board. Criteria adopted by the Nomination Committee in considering the suitability of a candidate for directorship includes his/her qualifications, experience, expertise and knowledge as well as the requirements under the Listing Rules.

During the year ended 31 March 2022, the Nomination Committee held one meeting during which it had reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Company and assessed the independence of all the independent non-executive directors of the Company.

NOMINATION POLICY

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

(a) Reputation for integrity;

(b) Relevant skills and experience in relevant sectors;

(c) Commitment in respect of sufficient time, interest and attention to the Company's business;

(d) Diversity in all aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge;

(e) Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive director; and

(f) Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Company's Articles of Association and other applicable rules and regulations.

The secretary of the Nomination Committee shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee may also nominate candidates for its consideration.

In the context of appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval.

In the context of re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy ("Board Diversity Policy") to enhance the quality of its performance. The Nomination Committee is responsible for reviewing and assessing the diversity at the Board level for and on behalf of the Board in term of (including but not limited to) gender, age, cultural and educational background, professional experience, skills and such other qualities as may be considered important by the Nomination Committee from time to time. In identifying suitable candidates for appointment to the Board, the Nomination Committee considers candidates on merit against objective criteria and also the benefits of diversity on the Board. In reviewing the Board composition, the Committee considers the benefits of all aspects of diversity including, but not limited to, those described above, in order to maintain an appropriate range and balance of skills, experience and diversity on the Board. The Nomination Committee will review the Board Diversity Policy in a timely manner to ensure that the Board Diversity Policy is effective.

As at the date of this report, it is noted that 1 out of 10 Directors, representing approximately 10%, are female. The Directors' ages are widely spread between 42 and 85. Regarding the educational and professional background, the Board members have accounting, finance, telecommunication and general business knowledge. It is therefore believed that the Board has achieved diversity in terms of gender, age, educational and professional background.

AUDITORS' REMUNERATION

The fees in relation to the audit services provided by external auditors of the Company for the financial year ended 31 March 2022 and 2021 are as follows:

	2022 **HK$**	2021 HK$
– Audit service	**925,172**	851,599
– Non-audit service	**nil**	72,100

CORPORATE GOVERNANCE FUNCTION

The Board delegated the Audit Committee to perform corporate governance duties and Audit Committee has adopted written terms of reference on its corporate governance functions.

The duties of the Audit Committee in respect of the corporate governance functions include:

(i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;

(ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;

(iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and

(v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year, the Audit Committee has performed the corporate governance duties in accordance with its terms of reference.

AUDIT COMMITTEE

The Audit Committee currently consists of four independent non-executive directors and two non-executive directors.

All members have sufficient experience in reviewing audited consolidated financial statements as aided by the external auditor of the Group whenever required. In addition, Mr. Chan Siu Ting has the appropriate professional qualifications and experience in financial matters.

During the year ended 31 March 2022, the Audit Committee held four meetings and also dealt with matters by way of circulation. The terms of reference of the Audit Committee are aligned with the recommendations set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants. Given below are the main duties of the Audit Committee:

(i) to make recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of those auditors;

(ii) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit Committee should discuss with the external auditors the nature and scope of the audit and reporting obligations before the audit commences;

(iii) to review the Company's annual report and accounts, half-year report and quarterly reports before submission to the Board, the Audit Committee should focus particularly on:

(a) any changes in accounting policies and practices;
(b) major judgmental areas;
(c) significant adjustments resulting from audit;
(d) the going concern assumptions and any qualifications;
(e) compliance with accounting standards; and
(f) compliance with the Listing Rules and other legal requirements in relation to financial reporting.

(iv) to discuss problems and reservations arising from the audits, and any matters the external auditors may wish to discuss;

(v) to review the audit programme, and ensure co-ordination with external auditors, of the internal audit function; and

(vi) corporate governance function.

The work performed by the Audit Committee during the year is summarised below:

(i) review of the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(ii) review of half-year and annual consolidated financial statements before submission to the Board, with particular consideration of the points mentioned in paragraph (iii) above regarding the duties of the Audit Committee;

(iii) discussion with the external auditors, the nature and scope of the audit;

(iv) review of the Group's internal control and risk management systems; and

(v) corporate governance function.

The Company's annual report for the year ended 31 March 2022 has been reviewed by the Audit Committee. The accounts for the year were audited by Grant Thornton Hong Kong Limited whose term of office will expire upon the forthcoming AGM. The Audit Committee has recommended to the Board that Grant Thornton Hong Kong Limited be nominated for re-appointment as the auditors of the Company at the forthcoming AGM.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements for the year ended 31 March 2022, which give a true and fair view in accordance with Hong Kong Financial Reporting Standard, Hong Kong Companies Ordinance and the applicable disclosure provisions of the Listing Rules, and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

INTERNAL CONTROLS AND RISK MANAGEMENT

1. The Purpose of Risk Management

Effective management of risks is essential for the long-term growth and sustainability of the Group's business; it blends seamlessly into strategic, operational and financial management in our Group's holistic approach to management control. It is always a challenge to determinately identify and manage the pertinent risks so that they are treated, transferred, terminated or simply taken, where appropriate. To achieve this, the Board delegates to the Audit Committee to ensure that there is a framework of continuous risk management process of identifying, evaluating and managing significant risks faced by the Group.

2. The Approach and Processes of Risk Management and Risk Categories

The Approach

The Group adopts an integrated top-down approach complemented by a bottom-up approach in the risk management process. The top-down approach involves the corporate view from the Board and management on risks which may have significant impact to the Group. The bottom-up approach identifies, evaluates and manages key risks of each business units. Our process is designed to manage risks and not eliminate all risks.

The Process

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

Risk Identification

– Identifies risks that may potentially affect the Group's business and operations.

Risk Evaluation

– Evaluates the risks identified by using the criteria developed by the management; and

– Considers the impact and consequence on the business and the likelihood of their occurrence.

Risk Response

– Prioritises the risks by comparing the results of the risk assessment; and

– Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

Risk Monitoring and Reporting

– Performs ongoing and periodic monitoring of the risk and ensures the appropriate internal control processes are in place;

– Revises the risk management strategies and internal control processes in case of any significant change of situation; and

– Reports the results of risk monitoring to the management and the Board regularly.

Control procedures have been designed to (i) safeguard assets against misappropriation and disposition; (ii) ensure compliance with relevant laws, rules and regulations; (iii) ensure proper maintenance of accounting records for provision of reliable financial information used within the business or for publication; and (iv) to provide reasonable assurance against material misstatement, loss or fraud.

The Risk Categories, Risk Mitigating measures, and Risk level assessed

During the year, the risk management process assessed the following risk aspects, under 16 different categories, in term of their impact on financial performance, reputation, health and safety, legal and compliance and staffing towards our business objectives. They are summarised as follows:

	Risk Categories	Key Risks	Risk Mitigating measures	Risk Level
1	Investment Strategy	Return on acquisitions/investments/ developments of business could turn out to be uncertain due to uncontrollable external factors (e.g. COVID-19 pandemic) and may result in financial loss.	– Investment decisions are supported by detailed integration plan and business strategies with management approval. – Potential projects/investment are subject to an extensive due diligence review by in-house specialists and external advisors, if any. – Continuous monitoring and review of all aspects of development, planning and progress by experienced managers. – Controls over projects/investment are reviewed by Finance Department.	Medium
2	Economic and Political Outlook	A significant portion of the Group's businesses and operations are in Hong Kong and PRC; adverse changes in economic and political environments in Hong Kong and PRC could have a direct or indirect impact to the Group's earnings.	– Constantly evaluate the economic environment it operates in and promptly respond to any changes. – Continuous monitoring of changes in the political agenda in Hong Kong and PRC. – Marketing strategy to cater to changes in economic and political outlook.	Medium

	Risk Categories	Key Risks	Risk Mitigating measures	Risk Level
3	Credit Risk	The borrower or counterparty may fail to perform its obligation to pay in a timely manner, or that its ability to perform such obligation may get impaired before delivery date. Therefore, the Group faces bad debts and incur financial loss.	– Set up **Credit Committee**, to put in place credit policies and procedures for approving lending including those for approving credit and trading limits for customers and approving individual stocks acceptable for **margin lending** at specified ratios. – The Credit Committee meets both regularly and timely to review the developments and status of past due accounts and to ensure appropriate actions are taken in a timely manner. – Regular independent review by Internal Audit function conducted by external and reputable CPA firm to ensure that the Group is operating according to the established policies, procedures and credit limits.	Medium
4	Liquidity Risk	The Group is also exposed to liquidity risk arising from timing difference between settlements with clearing houses or brokers and customers.	– Active liquidity risk management to ensure the Group maintains adequate liquid capital to fund its business commitments as well as to comply with the relevant Financial Resources Rules applying to various licensed subsidiaries. – The Group's Finance Department and the management will review and monitor the Group's liquidity position on daily basis to ensure availability of sufficient liquid funds. – The Group has maintained sufficient stand-by banking and other facilities in order to meet any contingency in its operations.	Medium
5	Product defects	The Group could be exposed to significant liability claims from customers and therefore incurs financial loss in the event that its products are found to be defective.	– The Group has implemented sound systems to monitor its products at various stages of its production processes. No assurance can be given that the Group's products are free of defects. Any significant liability claims could have an adverse impact on the results of operations and reputation of the Group.	Medium

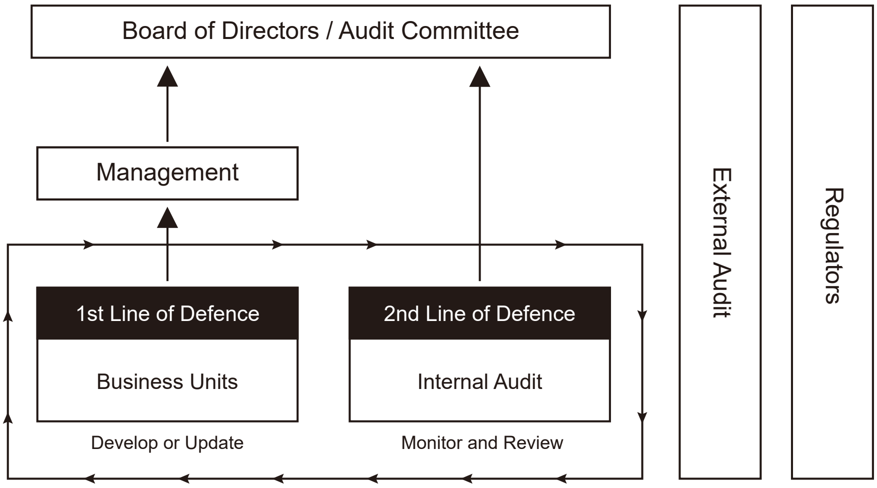
	Risk Categories	Key Risks	Risk Mitigating measures	Risk Level
6	Customer contracts	The Group typically enters into one-off purchase orders with its customers. As such, the amount of purchase orders may vary significantly from time to time, and it is difficult to forecast the amount of orders to be received by the Group in the future. No assurance can be given that the Group's customers will continue to place purchase orders with it in the future in similar amounts to prior periods, if at all. As a result, the results of operations of the Group may vary significantly in the future.	– The Group maintains stringent controls over product quality to preserve its reputation over 60 years.	Medium
7	Competitive industry	The business segments in which the Group operates are highly competitive. No assurance can be given that the Group will be able to compete successfully against its current competitors or emerging companies in the future. If the Group fails to compete effectively, the Group's results of operations, financial condition and business prospects may be materially and adversely affected.	– The Group monitors the market competition closely and take suitable actions in response.	Medium
8	Legal and Compliance	Regulatory uncertainty and/or change of legal and regulatory requirements may lead to non-compliance of local/foreign regulations, leading to reputational damage and financial loss.	– Actively engage with regulatory bodies and external advisors on any upcoming new legal and regulatory requirements. – Encourage staff to attend seminar to update relevant knowledge. – Establish related policies and procedures to provide clear guideline to staff. – Regular independent review by Internal Audit function conducted by external and reputable CPA firm to ensure its compliance.	Medium
9	Information Technology	Business operations may be adversely affected and sensitive information may be leaked out by cyber-attack by internal/external hackers or security breach due to information technology infrastructure/system failure.	– Enforce security measures such as periodic change of password, updating antivirus and firewall protection. – Establish information technology security policy on use of information technology equipment and installation on application software.	Medium

	Risk Categories	Key Risks	Risk Mitigating measures	Risk Level
10	Human Resource	Our core businesses are in people intensive industries and loss of key staff would affect the Group's ability to deliver on its strategies.	– Maintain succession plans for key positions. – Regular review on the competitiveness of our compensation and benefit arrangement. – Development platform and trainings have been provided to staff.	Low
11	Tenant and Customer	Loss of income due to change in customer spending behavior.	– Enhance marketing and promotion to attract customers. – Actively engage with current and potential tenants to strengthen strategic relationships. – Maintain a well-balanced tenant mix and trade mix. – Continuously update with the market trend and promptly respond.	Low
12	Contractor and Supplier	Association with problematic/substandard contractors/suppliers may cause financial and reputation loss.	– All key vendors are required to go through the well-established prequalification mechanism. – Closely monitoring of the performance of contractors/suppliers. – Mechanism on picking out and deregistering problematic vendors from the list is in place.	Low
13	Management & Operational Activities	Insufficient/ineffective internal controls in daily operations leading to financial loss and reputational damage, e.g. contractual risks, abusive use of discount, cash misappropriation, fraud committed with external parties, loss of physical assets, etc.	– Approval authority has been set up and well communicated among all staff. – Policies and procedures of key controls have been established and published on intranet. – Monitoring procedures, e.g. stocktaking/cash count by Group Finance, are in place. – Whistle-blowing channel has been set up. – Regular independent review by Internal Audit function conducted by external and reputable CPA firm to enhance control.	Low

	Risk Categories	Key Risks	Risk Mitigating measures	Risk Level
14	Brand and Reputation	Protecting the Group's brand and reputation from negative public attention which could result in significant decline in our tenant and customer base and financial loss.	– Continuous monitoring of media coverages, with actions taken where necessary. – Crisis management mechanism is in place with the formation of Crisis Management Committee as steered by Executive Directors, on need basis.	Low
15	Environmental Protection	Threats of adverse effects on environment by effluents, emissions, wastes, resource depletion, etc., arising out of daily operations.	– Environmental Policy has been established. – Environmental Committees have been set up to enhance environmental protection. – Green purchasing practices. – Closely monitoring on energy usage.	Low
16	Equity Risk	Equity risk arises from fluctuation in the price and volatility of equities such as stocks, equity portfolio and stock index futures. The Group has proprietary equity investments and may incur financial loss.	– The Group conducts detailed analysis of the issuer's fundamentals and pricing against market conditions and appetites.	Low

3. Our framework of Risk Management

Our framework of risk management is "Two Lines of Defence" model as depicted below:



3.1 Board of Directors/Audit Committee

The Board has overall responsibility for the system of risk management and internal controls of the Group and has reviewed its effectiveness. Our Board has delegated the responsibility for overseeing overall risk management and internal control systems to Audit Committee.

The Audit Committee has engaged external and reputable CPA firm, as its risk management and internal control review adviser ("External adviser") to conduct the annual review of the risk management and internal control systems for the year ended 31 March 2022. Such review is conducted annually and cycles reviewed are under rotation basis. The scope of review was previously determined and approved by the Audit Committee. The external adviser has reported findings and areas for improvement to the Audit Committee and the management. The Board and the Audit Committee are of the view that there are no material internal control deficiencies noted. All recommendations from the external adviser are properly followed up by the Group to ensure that they are implemented within a reasonable period of time. The Audit Committee and the Board, therefore, considered that the risk management and internal control systems are effective and adequate.

3.2 Two Lines of Defence

Our framework is not a standalone program. It is an integrated and continuous process, in which elements in the framework are integrated into the Group's day-to-day operations and are continually applied under cycles of developing, monitoring, reviewing and updating.

3.2a 1st Line of Defence – Operational Management and Internal Controls

Key internal control activities are integrated into daily operations with clear policies and procedures with the elements of governance, risk management and compliance. The policies and procedures are reviewed and updated on a regular basis to ensure their effectiveness, and shared with our employees and appropriate training.

Key Group Policies and Procedures

Key Group Policies and Procedures apply to the employees:

– **Whistle-blowing Policy** provides a proper reporting channel for employees to raise genuine concerns about malpractice or suspected wrongdoing.

– **Inside Information Policy** ensures inside information of the Group is to be kept in strict confidence or otherwise disseminated to the public in a timely manner in accordance with the applicable laws and regulations.

– **Connected Transactions Policy** provides a clear guideline to employees for handling connected transaction in order to comply with the Listing Rules requirement.

– **Code of Conduct** stipulates the Group policy on matter of personal conduct and relationships.

– **Approval Authority** sets clear authority limits on business decision and daily operations.

– **Operational Policies and Procedures** are set in each business and functional units to provide guideline in daily operations within the corporate governance framework.

The key functions of Finance Department with direct access to Audit Committee, include:

– Establish and maintain appropriate and effective risk management system to facilitate the business units to continuously identify, evaluate and monitor risks to business objectives;

– Support management to assess and respond to emerging risks;

– Lead in modifying the control procedures of identified and/or potential irregularities at the business units;

– Assist in developing and updating the policies and procedures to ensure that key control and monitoring procedures over compliance and risk management have been integrated into the daily operations; and

– Regularly report key risks and advise mitigating strategies to the management and Audit Committee.

3.2b 2nd Line of Defence – Internal Audit

The Company does not have an internal audit function and is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business.

As alternative, the Audit Committee as delegated by the Board, has engaged external and reputable CPA firm, as its risk management and internal control review adviser to conduct the annual review of the risk management and internal control systems for the year ended 31 March 2022. For details, please refer to section 3.1 Board of Directors/Audit Committee.

3.2c External Auditor

The external auditor further supplements the Internal Audit, the 2nd Line of Defence, by providing independent review on internal controls in relation to financial reporting process during the course of its audit work. The external auditor would report on any control issues to the Audit Committee.

COMPANY SECRETARY

Company secretary is to ensure there is a good information flow within the Board and between the Board and senior management, provides advice to the Board in relation to directors' obligations under the Listing Rules and applicable laws and regulations and assists the Board in implementing the corporate governance practices. Company secretary has provided his training records to the Company indicating his compliance with the training requirement under Rule 3.29 of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" ("Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by Directors of the Company. The Company has made specific enquiry of all Directors and all the Directors have complied with the required standard laid down in the Model Code.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 March 2022, there are no changes in the Company's constitutional documents.

DIVIDEND POLICY

The Board adopts the dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.

The Board shall also take into account the factors, such as operations, earnings, financial condition, cash requirements and availability, capital expenditure, future development requirements, business conditions and strategies, interests of shareholders, any restrictions on payment of dividends of the Group and any other factors that the Board may consider relevant when considering the declaration and payment of dividends.

SHAREHOLDERS' RIGHTS

Under the Articles of Association of the Company and Hong Kong Companies Ordinance, shareholders holding not less than 5% of the paid up capital of the Company ("5% Shareholder") may convene an extraordinary general meeting by requisition stating the objects of the meeting, and deposit the signed requisition at the Company's registered office (Units 407–10, Tower 2, Silvercord, No. 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong. Attention: The Company Secretary). Any 5% Shareholder may also requisition for the circulation of resolutions to be moved at a general meeting; and circulation of statements regarding resolution proposed. The special documents should be deposited at the Company's registered address as detailed above.

COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a policy of disclosing clear and relevant information to the shareholders of the Company in a timely manner. The general meetings of the Company provide a forum for communication between shareholders of the Company and the Directors. The Directors and the external auditors will attend the annual general meetings. The Directors will answer questions raised by the shareholders on the performance of the Group.

Review of the general meeting proceedings is carried out by the Board from time to time so as to ensure that the Company has followed the best corporate governance practices. Notice of the general meeting together with the circular setting out details of each of the proposed resolutions (including procedures for demanding a poll where required under the CG Code), voting procedures and other relevant information are delivered to all the shareholders of the Company with sufficient notice as required under the Listing Rules and the Bye-laws of the Company before the date appointed for the general meeting. At the commencement of the general meeting, procedures for demanding (where required) and conducting a poll are explained by the chairman of the meeting to the shareholders of the Company and the votes cast are properly counted and recorded by the scrutineer appointed by the Company. Poll results of the general meeting are posted on the websites of the Company and the Stock Exchange on the day of the general meeting.

The Company's website (http://www.seapnf.com.hk) also contains a "Released Documents" section which enables the Company's shareholders to have timely access to the Company's financial reports, announcements and circulars.

Chua Nai Tuen
Chairman

Hong Kong, 29 June 2022

The Directors submit their report and the audited consolidated financial statements for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activities of the Company are investment holding and property investment. The activities of the subsidiaries are set out in note 49 to the consolidated financial statements.

An analysis of the Group's performance for the year by operating segment is set out in note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2022 are set out in the consolidated financial statements on pages 75 to 168 of this report.

The Board has recommended the payment of a final dividend of HK3 cents per ordinary share (2021: HK3 cents per ordinary share), in respect of the year ended 31 March 2022 to all shareholders of the Company whose name appear on the register of members of the Company on 2 September 2022. Subject to the approval of shareholders at the forthcoming AGM, the payment of the final dividend will be made on 7 October 2022.

DONATIONS

Charitable and other donations made by Group amounted to HK$17,000 (2021: HK$2,000).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment are set out in note 16 to the financial statements.

BUSINESS REVIEW

The business review, including (i) review of the business of the Group for the year ended 31 March 2022; (ii) particulars of important events affecting the Group that have occurred since the end of 31 March 2022; (iii) key financial and business performance indicators; (iv) discussion on the Group's likely future business development are set out in the section headed "Chairman's Statement" on pages 6 to 12 of this report; and v) principal risks and uncertainties faced by the Group are set out in the section headed "Corporate Governance Report" on pages 13 to 32 of this report. These discussions form part of this report of the Directors.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 172 of this report.

SHARE ISSUED AND SHARE CAPITAL

Details of the shares issued in the year ended 31 March 2022 are set out in note 38 to the consolidated financial statements.

PRINCIPAL PROPERTIES

Details of the properties held for investment, under development and held for own use are set out on page 169 to 171 of the annual report.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 278 employees as at 31 March 2022 (2021: 291 employees). Employees were remunerated according to nature of the job and market trend.

The Group's policy concerning the remuneration of the directors is that the amount of remuneration is determined by reference to the relevant director's experience, workload and the time devoted to the Group.

The Group contributes toward retirement income protection for its employees through the provision of retirement benefits schemes. These benefits form an important part of the group's total compensation and benefits program that is designed to attract and retain highly skilled and talented employees.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2022, calculated under Part 6 of the new Hong Kong Companies Ordinance (Cap. 622), amounted to HK$292,731,849 (2021: HK$304,288,808).

BANK LOANS

Particulars of bank loans and as at 31 March 2022 and 2021 are stated in note 33 to the consolidated financial statements.

PARTICULARS OF DEBT SECURITIES, CONVERTIBLE SECURITIES OR OPTIONS ISSUED BY THE COMPANY AND ITS SUBSIDIARIES

The Company and its subsidiaries have not issued, during the year ended 31 March 2022, any debt securities, convertible securities or options.

BORROWING COST CAPITALISATION

No borrowing was capitalised by the company and its subsidiaries during the year ended 31 March 2022 (2021: nil).

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of the Group's purchases and sales for the year attributable to the major suppliers and customers respectively were as follows:

Percentage of purchases attributable to the Group's largest supplier	38%
Percentage of purchases attributable to the Group's five largest suppliers	84%
Percentage of sales attributable to the Group's largest customer	15%
Percentage of sales attributable to the Group's five largest customers	41%

None of the directors or their associates, nor does any shareholder owning (to the knowledge of the directors) more than 5% of the Company's issued share capital hold, any interest in the share capital of the suppliers and customers noted above.

The Group believes that good relationships with both customers and suppliers are key for the Group's success. To improve the Group's overall performance, the group has closely monitoring its customers and suppliers through setting rules and policies.

DIRECTORS

(a) Directors of the Company

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

Executive Directors:

Mr. Chua Nai Tuen *(Chairman and Managing Director)*
Mr. Nelson Junior Chua

Non-executive Directors:

Mr. Chan Man Hon, Eric
Mr. Jimmy Siy Tiong
Mr. Tsai Han Yung
Ms. Vivian Chua

Independent Non-executive Directors:

Mr. Chan Siu Ting
Mr. James L. Kwok
Mr. Wong Shek Keung
Mr. Tsui Ka Wah

In accordance with Article 107(A) of the Company's Articles of Association, Mr. Chua Nai Tuen, Mr. Wong Shek Keung and Mr. Tsui Ka Wah, shall retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

None of the Directors proposed for re-election at the 2022 AGM has an unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

(b) Directors of the company's subsidiaries

During the year and up to the date of this report, Mr. Chua Nai Tuen and Mr. Nelson Junior Chua are also the directors in certain subsidiaries of the Company.

Other directors of the Company's subsidiaries during the year and up to the date of this report include: Mr. Gilson Chua, Mr. Cheuk Sze Lok, Mr. Choy Tin Woo, Johnnie, Mr. Fu Ka Tsang, Ms. Siu Mei Wan, Ms. Tse Oi Ling, Mr. Wong Wing Sang and Mr. Tsai Sui Cheung, Andrew.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out in pages 3 to 5 of this annual report.

DIRECTORS' INTERESTS IN SHARE CAPITAL

As at 31 March 2022, the directors of the Company had the following beneficial interests, all being long positions, in the share capital of the Company, the subsidiaries and associates of the Company:

	Number of shares held				
	Personal Interests	**Family Interests**	**Corporate Interests**	**Other Interests**	**% of the Issued Share Capital**
(a) The Company					
(Ordinary shares)					
Chua Nai Tuen	4,509,917	–	93,178,000 *(Note)*	–	43.34
Nelson Junior Chua	6,954,391	–	–	–	3.09
Jimmy Siy Tiong	3,770,987	–	–	–	1.67
Tsai Han Yung	5,120,490	–	–	–	2.27
Vivian Chua	1,040,000	–	–	–	0.46

	Number of shares held				
	Personal Interests	Family Interests	Corporate Interests	Other Interests	% of the Issued Share Capital
(b) Nan Sing Plastics Limited					
(Ordinary shares)					
Chua Nai Tuen	–	–	6,965	–	4.64
(c) Titan Dragon Properties Corporation					
(Capital stock of Peso1,000.00 per share)					
Chua Nai Tuen	7,200	13,600	4,000 *(Note)*	–	31.00
Jimmy Siy Tiong	1,600	–	–	–	2.00

Note:

The shares regarding 'Corporate interests' in which Messrs. Chua Nai Tuen was taken to be interested as stated above were the interests of corporations in general meetings of which he was either entitled to exercise (or was taken under Part XV of the Securities and Futures Ordinance (the "SFO") to be able to exercise) or control the exercise of one-third or more of the voting power in general meetings of such corporations.

Except as disclosed above, as recorded in the register kept by the Company under section 352 of the SFO in respect of information required to be notified to the Company and the Stock Exchange pursuant to the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers:

(a) there were no interests, both long and short positions, held as at 31 March 2022 by any of the directors or chief executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), and

(b) there existed during the financial year no rights to subscribe for shares, underlying shares or debentures of the Company which were held by any of the directors or chief executive of the Company or any of their spouses or children under 18 years of age nor had there been any exercises during the financial year of any such rights by any of them.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

Given below are the names of all parties, other than persons who are Directors of the Company, which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital of the Company and the respective relevant numbers of shares in which they were, and/or were deemed to be, interested as at 31 March 2022 as recorded in the register kept by the Company under section 336 of the SFO:

	No. of Ordinary Shares held	**% of the Issued Share Capital**
J & N International Limited ("J & N") *(Note 1)*	56,216,000	24.94
Sonliet Investment Company Limited ("Sonliet Investment") *(Note 1)*	36,962,000	16.40
Mr. Chua Nai King *(Note 2)*	21,204,931	9.41
Julius Baer Trust Company (Singapore) Limited ("Julius Baer") *(Note 2)*	16,880,140	7.49
Loriking Limited ("Loriking") *(Note 2)*	16,880,140	7.49

Notes:

1. For the avoidance of doubts and double counting, it should be noted that J & N's and Sonliet Investment's interests are entirely duplicated with Mr. Chua Nai Tuen's interests.

2. For the avoidance of doubts and double counting, it should be noted that Julius Baer's and Loriking's interests are entirely duplicated with Mr. Chua Nai King's interests.

All the interests stated above represented long positions and as at 31 March 2022, there were no short positions recorded in the said register.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as "Related Parties" under applicable accounting principles. These mainly relate to transactions entered into by the Group in the ordinary course of business and on an arm's length basis. Details are set out in note 44 to the consolidated financial statements.

DIRECTORS' INTERESTS IN CONTRACTS

During the year, the Group paid consultancy fee of HK$1,113,375 (2021: HK$1,771,941) to Sonliet Investment Company Limited, in which Mr. Chua Nai Tuen, the Director of the Company, is the controlling shareholder and also director.

During the year, a tenancy agreement was made on arm's length basis in connection with the leasing of a premises owned by Sonliet Realty Company Limited, a company controlled by Mr. Chua Nai Tuen, to Nan Sing Warehouse Limited, a subsidiary of the Company. The total amount of lease payment by the Group during the year was HK$1,370,250 (2021: HK$1,350,000).

The above transactions fall within the continuing connected transactions under the Rule 14A.33 of the Listing Rules and were exempted from the reporting, announcement and independent shareholders' approval requirements.

Save for contracts amongst the Group and the aforementioned transaction, no other significant transactions, arrangements and contracts 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 the year or at any time during the year.

DIRECTOR'S AND MANAGEMENT EMOLUMENTS

Particulars of director's emoluments and the five highest paid individuals in the Group are set out in notes 14 and 15 to the financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 March 2022, none of the Directors nor their respective associates was interested in any business which is considered to compete or is likely to compete, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

MANAGEMENT CONTRACTS

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

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

REPORT OF THE DIRECTORS

PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit at any of the directors of the Company (whether made by the company or otherwise) or an associated company (if made by the Company).

The Company has taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover the certain legal actions brought against its directors and officers.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the year.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors as at the date of this report, the Company has maintained the prescribed public float under the Listing Rules throughout the year ended 31 March 2022.

AUDITORS

Grant Thornton Hong Kong Limited, the auditors of the Company, will retire at the conclusion of the forthcoming AGM of the Company and be eligible to offer themselves for re-appointment. A resolution will be submitted to the forthcoming AGM to seek Shareholders' approval for the re-appointment of Grant Thornton Hong Kong Limited as the Company's auditors until the conclusion of the next AGM.

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 operates. 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.

On behalf of the Board
Chua Nai Tuen
Chairman

Hong Kong, 29 June 2022

SCOPE AND REPORTING PERIOD

This is the sixth environmental, social and governance report (the "Report") prepared by Southeast Asia Properties & Finance Limited (the "Company", together with its subsidiaries referred to as the "Group"), highlighting its environmental, social and governance (the "ESG") performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

REPORTING BOUNDARY

The Group is principally engaged in property investment, development and leasing, hotel operation, manufacturing and distribution of plastic packaging materials, broking and securities margin financing.

This ESG Report covers the Group's overall performance in two subject areas, namely, Environmental and Social of below three operational locations in Dongguan, the People's Republic of China (the "PRC"), and Hong Kong, from 1 April 2021 to 31 March 2022 (the "Reporting Period"), unless otherwise stated.

– the manufacturing operation under the brand name of "Nan Sing" in PRC (hereafter "Nan Sing");

– the operation of co-working space in Hong Kong (hereafter "Everglory Centre"); and

– the headquarter in Hong Kong (hereafter the "Headquarter").

Nan Sing is located in Dongguan, the PRC and the property and financial services, and other daily business operations are located within the Everglory Centre and the Headquarter, both in Tsimshatsui, Hong Kong.

The Group also operates hotel business under the brand name of "Hotel Benito" (hereafter "Hotel Benito"), which located in Tsimshatsui in Hong Kong. Hotel Benito was under renovation and stopped for operation since financial year 2020/21 and therefore, the key performance indicators in this report does not cover the hotel business operation.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

In order to identify the most significant environmental and social issues, key stakeholders have been involved to help the Group to meet its potential growth and prepare for future challenges.

Based on our assessment, key material issues raised by the stakeholders all focused on environmental and social aspects. Followings topics have been deemed as the most important by stakeholders:

- Air emission
- Packaging materials
- Energy use and efficiency
- Wastes management
- Development and Training
- Labour Standards
- Customer Privacy and Customer Service
- Anti-corruption

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at general@seapnf.com.hk.

THE GROUP'S SUSTAINABILITY MISSION AND VISION

A key mission of the Group is to extend the environmental protection and social welfare. The Group adopts cleaner production principles and integrates management on product quality, environmental protection, and labour management, aiming to reach the optimum balance to achieve maximum profit, responsibility and satisfaction for stakeholders.

The Group continues to introduce state-of-the-art pollution control facilities to reduce energy and other resources use. Policy-wise promotion on environmental protection has also been implemented among internal employees and suppliers. The Group reinforced several environmental protection policies including Environmental Health and Safety Policy and Carbon Emission Reduction Program, to further standardize environmental health and safety management and emission reduction practices.

BOARD STATEMENT ON ESG GOVERNANCE

The Board holds the overall responsibility on the ESG strategy and reporting. The ESG working group that is made up of the Group's key management personnel is responsible for identifying material ESG issues, collecting relevant ESG data periodically and ensuring appropriate ESG risk management and internal control system has been established. The ESG working group is also responsible for formulating relevant ESG policies and procedures in line with the ESG strategy set out by the Board. Meetings are arranged regularly by the Board to evaluate the effectiveness of current policies and procedures and formulate appropriate solutions to improve the overall ESG performance.

REPORTING PRINCIPLES

During the preparation for this ESG Report, the Group has applied the reporting principles in Appendix 27 as follows:

Reporting principles	Application
Materiality	During the reporting period, materiality assessment was conducted to identify key aspects of the Group's long-term sustainability. Please refer to "Stakeholder engagement and materiality" for more details.
Quantitative	This ESG report has disclosed the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable).
Consistency	The KPIs used, methods and other relevant factors are substantially unchanged, comparing to the previous year. For changes in scope of disclosure and calculation methodologies, proper disclosures and explanations are provided.

A. ENVIRONMENTAL

The major environmental impacts were generated from Nan Sing. During the manufacturing of plastic packaging materials, exhaust gas has been properly vented and filtered before releasing to the atmosphere. Minimal hazardous waste is generated on-site.

Direct and indirect environmental impacts generated by the Group during the Reporting Period mainly included the following activities: 1) consumption of gasoline and diesel (for Group-owned vehicles) and town gas; 2) consumption of purchased electricity and town gas; and 3) processing of freshwater and sewage. Their corresponding emissions were calculated and presented in section A1.

The Group is aware of the importance of environmental protection. An activated carbon adsorption and regenerative catalytic oxidation (RCO) system was installed to deal with the VOCs emissions in the printing workshop of Nan Sing. The RCO system utilizes a packed bed system with activated carbon as adsorbents, where the activated carbon comes in contact with the gaseous stream to remove pollutants by adsorbing them onto the activated carbon. A follow-up combination of oxygen (O_2) with outlet VOCs (CXHY) is reacted within the RCO system. Through heat recovery in the RCO system, a large amount of energy is saved as the heat exchanger allows the inlet gas temperature rises to reaction temperature by absorbing heat released during combustion processes. In case that the reaction temperature is not reached, extra heat will be supplied via the automatic control system (the programmable logic controller (PLC) system) to make the reaction a complete combustion, achieving a removal rate of over 97% for the exhaust gas.

In addition, Nan Sing installed a real-time energy management system provided by a professional energy auditing firm, which enables the Group to visualize the energy consumption, to monitor and analyze the energy reduction opportunities, and to prevent waste of energy. The energy visualization LCD panel has been installed at the doorway of Nan Sing, all employees would have observed it, potentially leading to an energy education and/or promotion of environmentally-friendly behaviors.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas (GHG) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste had been identified during the Reporting Period.

A1. Emissions

A1.1 Air Emissions

VOCs from printing workshop was the major direct on-site air emissions generated at Nan Sing. Non-methane hydrocarbon from film blowing workshops and cooking fumes from canteen are other types of air emissions at Nan Sing. All on-site air emissions were monitored and met the emission level set by both national standards — Integrated Emission Standard of Air Pollutants (GB16297–1996) and local standard — Emission Limit of Air Pollutants (DB44/27–2001).

Direct air emissions, including both GHG and non-GHG were generated from the consumption of gasoline and diesel for group-owned vehicles. Indirect GHG emissions, due to the Group's activity but owned or controlled by another entity were also generated from the consumption of purchased electricity and town gas, and processing of freshwater and sewage.

As Everglory Centre and the Headquarter did not generate major air emissions, no such data is presented in this Report.

Vehicle Operation and Emissions

Passenger cars operated on gasoline as well as lorries operated on diesel were used for daily business operations. Their combustion generated several air emissions include nitrogen oxides (NO_X), sulphur oxides (SO_X) and respiratory suspended particles (PM).

Non-GHG Emission	Mobile fuel source	**2022 (kg)**	2021 (kg)
NO_X	Gasoline and diesel	**860.47**	941.47
SO_X	Gasoline and diesel	**1.69**	1.75
PM	Gasoline and diesel	**63.10**	69.39

Note: Emission factors for calculations on environmental parameters throughout the Report were made reference to Appendix 27 of the Main Board Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

A1.2 Greenhouse Gas (GHG) Emissions

There were 5,426.49 tonnes (2021: 6,191.45 tonnes) of carbon dioxide equivalent (CO_2eq.) GHG (mainly carbon dioxide, methane and nitrous oxide) emitted from the Group's operation during the Reporting Period. The GHG reported included the following activities and scopes:

- Direct (scope 1) GHG emissions from the consumption of gasoline, diesel, and town gas;
- Energy indirect (scope 2) GHG emissions from purchased electricity and town gas; and
- Other indirect (scope 3) GHG emissions from municipal freshwater and sewage processing.

Other indirect GHG emissions during the Reporting Period such as those from waste paper landfilling, mitigated GHG from paper recycling, and business air travel were excluded due to their insignificant impact.

GHG Emission		**2022 (tonnes of CO_2eq.)**	**%**	2021 (tonnes of CO_2eq.)	%
Scope 1					
Direct GHG emissions	Gasoline and diesel[1]	**281.30**	**5.1**	288.60	4.7
Scope 2					
Indirect GHG emissions	Purchased electricity[2]	**5,120.53**	**94.4**	5,877.69	94.9
Scope 3					
Other Indirect GHG emissions	Freshwater and sewage	**24.66**	**0.5**	25.16	0.4
Total GHG		**5,426.49**	**100.0**	6,191.45	100.0

Note 1: Emission factors were made reference to Appendix 27 to the Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.

Note 2: Emission factor (EF) of 0.51 and 0.39 kg CO_2eq./kWh (2021: 0.51 and 0.37 kg CO_2eq./kWh) was used for purchased electricity in Dongguan and Hong Kong, respectively during the Reporting Period.

A1.3 Hazardous Waste

Hazardous waste generated at Nan Sing included waste oil and ink bottles and thinner bottles, all of which were recollected by suppliers, without recording the waste amount. Other hazardous waste materials including waste cloth containing waste ink were treated according to the local standard and were all subject to the supervision by local Environmental Protection Agency. To further avoid regulatory and operational risks, the Group has established contracts with special waste collectors, with following waste types and treatment methods specified in the contract:

Hazardous waste type per National Catalogue of Hazardous Wastes	Hazardous waste name	Transportation mode	Waste treatment method
HW12	Waste ink	In barrel	Incineration
HW49	Waste activated carbon	In barrel	Incineration
HW49	Waste cloth containing ink	In barrel	Incineration

The Group will consider recording the waste generation amount after the waste collection system being stabilized.

For Everglory Centre and the Headquarter, their business operations did not involve generation of significant hazardous wastes, hence no such data is presented in this Report.

A1.4 Non-hazardous Waste

Major non-hazardous waste generated at Nan Sing mainly included the scrap materials during production. Scraps were reused/re-manufactured at Nan Sing to reduce on-site waste generation as well as for economic purposes.

Non-hazardous waste generated in Hong Kong mainly included: waste office paper, waste packaging materials, and other non-office paper such as newspapers and cardboard. A total of 0.56 tonnes (2021: 0.60 tonnes) of office paper were recycled in Headquarter during the Reporting Period. The Group will consider recording the amount of non-hazardous waste generated in other sites in the future.

A1.5 Emissions Targets and Initiatives

The air pollution control system installed in Nan Sing effectively control the VOCs and other exhaust gaseous emissions during film blowing and printing processes. The exhaust gas from the printing shop can be centrally collected and discharged. Everglory Centre and the Headquarter did not involve any significant direct emissions hence no information related to emission mitigation is presented.

In alignment with the national goal of achieving carbon neutrality, the Group aim to reduce carbon emissions from its business operations gradually in Nan Sing of at least 3% as a 3-year target using financial year 2021/22 as baseline year. To effectively reduce its emission, the Group is dedicated to monitor and control its direct emissions from vehicle use for transportation through key approaches as follows:

- Avoid unnecessary transportation by utilising appropriate logistical planning, arranging transportation time, maximising load factors and transportation efficiency.

- Reduce fuel consumption by maintaining good driving habits, including turning off idling engines when stopping and not rushing to brake and accelerate.

- Improve energy efficiency by ensuring all vehicles are in good conditions.

A1.6 Wastes Reduction Targets and Initiatives

Nan Sing formulated the Waste Control Guidelines to regulate waste management. The practices brought in a waste reduction, resource saving, as well as economic benefits for the Group. For example:

- the Group reused incoming wooden pallets without any new purchase;

- the on-site industrial waste generation was largely reduced by re-using production scraps during the manufacturing processes;

- proper training and daily supervision were provided to production personnel to reduce the generation of scrap materials;

- the incoming waste packaging materials such as waste paper, wood pallets were internally maintained, repaired, and reused whenever possible, or further collected by qualified companies;

- waste categorization bins were provided to control the separation of hazardous and non-hazardous waste, and increase recovery of recyclable waste; and

- waste paper was collected and treated by designated department (e.g. pressing) for downstream recycling.

In Everglory Centre and the Headquarter, we encourage employees to adopt pro-environmental behaviors such as printing paper on both sides.

To better manage its impacts of wastes discharge to the environment, the Group aim to record hazardous waste data from the waste collectors and to record non-hazardous wastes generated in other sites as a 3-year target. The Group will continue identifying areas to better manage and improve the waste management system, to further reduce waste generation and the burden to landfill.

A2. Use of Resources

A2.1 Energy Consumption

Total electricity consumption by the Group was 10,130,596 Kilowatt-hour (kWh) (2021: 11,657,172 kWh) during the Reporting Period. Due to different operational nature, the intensity was calculated separately for each site.

	2022		2021	
Direct energy source (electricity)	**Consumption (kWh)**	**Intensity (kWh/m^2)**	Consumption (kWh)	Intensity (kWh/m^2)
Nan Sing	**9,840,914**	**1,968**	11,267,820	2,254
Everglory Centre	**137,387**	**152**	198,320	219
Headquarter	**152,295**	**227**	191,032	285
Total	**10,130,596**		11,657,172	

Consumption of gasoline and diesel were converted to indirect energy consumption.

Indirect energy source	2022 Direct consumption	2022 Indirect consumption (kWh)	2021 Direct consumption	2021 Indirect consumption (kWh)
Gasoline (in liter)	**10,704**	**97,568**	5,744	52,355
Diesel (in liter)	**95,394**	**961,567**	103,360	1,041,864
Total		**1,059,135**		1,094,219

Note: Conversion factors were made reference to IEA Energy Statistics Manual and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

A2.2 Water Consumption

The Group did not consume a significant amount of water for its business activities. The total water consumption for the Group was 32,354 m^3 (2021: 34,476 m^3) during the Reporting Period. Water has been consumed for commercial and domestic purposes as the manufacturing processes in Nan Sing does not involve consumption of water. The water bill in the Headquarter was paid by the building management hence no information related to the consumption data is presented.

Site	2022 Water consumption (m^3)	2022 Intensity (m^3/m^2)	2021 Water consumption (m^3)	2021 Intensity (m^3/m^2)
Nan Sing	**32,237**	**6.45**	34,357	6.87
Everglory Centre	**117**	**0.13**	119	0.13
Total	**32,354**		34,476	

A2.3 Energy Use Efficiency Targets and Initiatives

Nan Sing was the major energy user and the Group has formulated the Energy Management Procedures and Guidelines to regulate relevant activities. In detail, the following energy saving measurement and achievements were recorded:

- the Group has replaced most of the lighting system to energy efficient LED lighting system; with an ultimate goal of replacing all old lighting system;

- the clean production audit was completed, and relevant energy conservation and emission reduction measures were carried out according to the clean production audit plan, so that the total VOCs emissions per unit product and the comprehensive energy consumption per unit product were greatly reduced; and
- old motors were replaced by energy-saving motors, resulting a reduction in energy consumption.

For Hotel Benito, the following energy saving and efficiency schemes were implemented:

- using energy efficient LED lighting systems for public areas;
- using motion sensing lights for wardrobe in hotel rooms;
- pre-setting room temperature for public areas at 25 degrees Celsius; and
- placing signs in hotel rooms to encourage guests to reuse bedsheets and towels.

Electricity was the most significant source of emission in office settings, consequently, employees are reminded to switch off lights, air conditioners, computers, monitors and equipment before leaving work.

By formulating the system for energy utilization and implementing measures on energy conservation and emission reduction, the Group continues to improve energy efficiency. Using financial year 2021/22 as baseline year, the Group aim to reduce energy consumption gradually in Nan Sing of at least 3% as a 3-year target by inspiring its employees and hotel customers on conservation habitats and regularly monitor the consumption of energy.

A2.4 Water Use Efficiency Targets and Initiatives

The Group's business operation did not involve any significant use of water and has no issues on sourcing water during the Reporting Period. For Nan Sing, Everglory Centre and the Headquarter, water was mainly used for domestic purpose, hence no information in relation to water use efficiency initiatives is presented in this Report. The Group targets to reduce water usage after the renovation of Hotel Benito by use of dual flush toilets and inspiring its customers on conservation habitats.

A2.5 Packaging Material

Nan Sing consumed packaging materials, which are mainly cartons and gummed paper purchased from outside suppliers. During the Reporting Period, the total amount of packaging materials used was 889 tonnes. The Group has not established any reduction targets yet. However, the Group targets to explore the possibilities to improve the recyclability of packaging materials in the future. Certain waste cartons and packaging paper have been collected by qualified recyclers during the Reporting Period.

No major packaging materials were involved for business operations in Hong Kong.

A3. The Environment and Natural Resources

For the production processes in Nan Sing, the company has formulated Chemical Control Procedures to manage the use of chemicals, mainly including lacquer thinner, solvent ink, and water-based ink. All chemicals were stored in a special warehouse, accessible only by designated personnel, who was responsible for the management of chemicals. Production department can only claim for a certain amount of chemicals for daily consumption not exceeding a pre-set quota, to ensure no excess chemicals stored in the production workshop.

In addition to the chemical usage, the major impacts on the environment were the air pollution caused by exhaust gases, with the new treatment facility installed, it is expected that air pollutants will be further controlled and reduced. The indirect impacts caused by the consumption of electricity has been identified as another major source of environmental impacts. The Group is actively planning to apply for the cleaner production certification, while strengthening environmental protection and reducing energy consumption.

The Group's water consumption and wastewater discharge have been managed properly to minimize impacts on the regional water body. Domestic wastewater has been treated at on-site septic tanks before discharging into the municipal wastewater pipelines.

The Group's production does not cause a major impact on the surrounding acoustic environment. Various machinery and cooling tower all meet the requirements.

The Group will continue to keep a close eye on any updates of relevant laws and regulations.

Environmental impacts of the business operations in Hong Kong were not significant during the Reporting Period.

A4. Climate change

The Group aims to enhance its climate change preparedness and resilience by duly identifying and assessing the climate-related risks that might pose significant impacts on its business operation. With reference to the recommendations of the Taskforce on Climate related Financial Disclosures ("TCFD"), the climate-related risks that may affect the Group are as follows:

Risks	Description	Response strategies
Physical risks		
Acute risk	Increased severity of extreme weather events such as typhoons and floods may have adverse impacts on the manufacturing and operational activities, which may affect the Group's ability to meet customers' demand and relationship with customers.	Established disasters emergency plan.
Chronic risk	The changes in weather patterns such as level of precipitation and the temperature may increase energy consumption.	Implied various energy saving measures.
Transition risks		
Policy and legal risks	Policy changes regarding carbon emission restriction and reporting obligations may increase the Group's operating costs. The Group is expected to replace equipment with energy saving to reduce the use of electricity, natural gas, petrol and diesel.	Keep track of the update of the reporting obligation, policies and regulations.
Market risks	The customers appetite for environmental packaging materials has increased significantly and continues to grow. This demand will lead to an increase in the range of ESG products available. As a manufacturer and service provider, failure to provide environmental products may hinder overall market competitiveness.	Pay attention to customer need and continue to improve the products/services to fit customer preference.

B. SOCIAL

I. Employment and Labour Practices

B1. Employment

Several internal procedures including the Guidelines and Policies for the Management of Social Responsibility, the Employment Management Procedure, the Labour and Welfare Control Procedure, the Human Resources Management Procedure continue to serve as the guideline and working procedure to manage employment and labour-related practices. During the Reporting Period, there were no major changes in employment policies for the Group's business operation.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

Employees' rights and benefits, including public holidays, annual paid leave, sick leave, maternity leave have been formulated and executed per the Labour Law of the PRC, Labour Contract Law of the PRC, Salary Payment Regulations of the PRC, and the Employment Ordinance in Hong Kong. Employees have been provided with medical insurance, social insurance coverage, housing provident fund in the PRC, and mandatory provident fund in Hong Kong. Free accommodation and discounted meal plans have also been provided to Nan Sing employees.

Equal opportunity is provided to all employees in respect of promotion, appraisal, training, development and other aspects. Employees are not discriminated against or deprived of opportunities based on gender, nationality, ethnic background, religion, political affiliation, age, marital status, and physical disability.

As at 31 March 2022, the Group had a total number of 278 employees (2021: 291 employees).

	2022	2021
Total number of employees	**278**	291
By employee type		
Full-time	**276**	289
Part-time	**2**	2
By employee category		
Senior management	**10**	7
Middle management	**55**	61
Frontline and other staff	**213**	223
By age group		
18–25	**7**	14
26–35	**22**	26
36–45	**77**	81
46–55	**115**	124
56 or above	**57**	46
By gender		
Male	**177**	186
Female	**101**	105
By region		
PRC	**217**	240
Hong Kong	**61**	51

The overall staff turnover rate was around 17% (2021: 23%) during the Reporting Period, all turnover staff were full-time employees. Among the total 46 (2021: 66) employees who left the Group, 42 (2021: 43) were frontline staff in Nan Sing, such high turnover is a common phenomenon in the manufacturing industry in the PRC.

	2022	2021
Number of employees left	**46**	66
Turnover rate	**17%**	23%
By employee category		
Senior management	**–**	1
Middle management	**3**	6
Frontline and other staff	**43**	59
By age group		
18–25	**7**	7
26–35	**5**	10
36–45	**13**	11
46–55	**15**	25
56 or above	**6**	13
By gender		
Male	**21**	40
Female	**25**	26
By region		
PRC	**44**	45
Hong Kong	**2**	21

Note: The employee turnover rates are calculated using number of employees leaving employment during the year and divided by total number of employees at the year end.

B2. Health and Safety

The Group has in place internal safety guidelines to provide employees with a safe workplace and ensure compliance with relevant laws and regulations in the PRC and Hong Kong. The Group has formulated the Environmental Health and Safety Policy and Environmental Health and Safety Management Procedures to manage employee environmental health and safety. The Group specially implemented following schemes to ensure a healthy and safe working environment for employees, and to minimize the potential risk of work-related accidents and injuries:

- hiring an external testing company to test the workshop environment to ensure the indoor air pollutants were all within the permissible level;

- performing internal checks using company-owned noise meter, volatile organic compounds sensor and hygrometer;

- providing annual occupational disease inspection for employees who were exposed to chemical products and/or who worked in workshops with a high level of noise;

- providing personal protective equipment such as helmet, masks, gloves, and earplugs to workshop employees; and

- installing new exhaust gas system and treatment facility in the workshop to strengthen ventilation.

Due to COVID-19, the Group implemented several measures in our office premises and factory area such as wearing masks, checking body temperature, cleaning of common area (e.g. switches, door handle, water machines, printers, etc), using conferences or video call instead of having unnecessary business travel and face-to-face meeting.

The Group strictly follows relevant laws and regulations such as Law of the PRC on the Prevention and Control of Occupational Diseases, and Law on Safety Production. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to occupational health and safety had been identified during the Reporting Period.

Work-related minor injuries cases were reported in Nan Sing. The Group will continue to evaluate the potential causes leading to the past work injuries and identify corresponding measures to enhance the safety working environment.

	2022	2021	2020
Work-related fatality	**nil**	nil	nil
Work injury cases >3 days	**3**	5	9
Work injury cases <= 3 days	**2**	8	7
Total lost days due to work injury	**67**	151	262

B3. Development and Training

The Human Resources Management Procedure continues to serve to manage employee development and training, guiding orientation training, on-the-job training activities, as well as training effects measurement. Training needs were identified at the end of each year, according to the employees' performance and feedback, the changes of the external environment, and forecast of production and development trends.

General training sessions provided to employees included those organized by the human resource department such as orientation, quality, operation skills, and management system training. The training effects have been measured through written examinations, interviews, and on-site operation assessment. In addition, external training such as management and leadership skills training were provided to management personnel.

A total of 230 employees of the Group received 1,826 hours of training during the reporting period.

	2022	
	% of employees trained	**Average training hours**
By gender		
Male	**83**	**7.83**
Female	**82**	**8.12**
By employee category		
Senior management	**50**	**10.30**
Middle management	**67**	**11.43**
Frontline and other staff	**88**	**7.19**

Note 1: The data for training activities was collected and disclosed for the first year. Comparative figure was not available.

Note 2: The percentage of employees trained is calculated using number of trained employees divided by number of employees at the end of reporting period.

Note 3: Average training hours per employee are calculated using total training hours divided by number of employees trained for the year.

B4. Labour Standards

The Group strictly follows the Labour Law of the PRC, the labour Contract Law of the PRC, the Law on the Protection of Minors, and the Employment Ordinance in Hong Kong to manage labour practices. Internally, the Employment Management Procedure continues to guide recruitment policies, to eliminate recruitment of child or forced labour.

Background checks were conducted for new employees and all employees must show their original identity card to prove their legal identity. In case of any child or forced labour encountered, labour contract will be ceased immediately, and the Group will report to the legal entity. The Group would also investigate the causes of improper events and discipline against the wrongdoer. During the Reporting Period, no non-compliance in relation to labour standards as required by related laws and regulations was noted, and there was no child nor forced labour in the Group's business operation.

II. Operating Practices

B5. Supply Chain Management

The Group has standard procedures for engaging suppliers and contractors related to its business operation. A supplier vetting process included but not limit to background check and market reputation, is required for all new suppliers.

For Nan Sing production, key suppliers were reviewed and screened carefully to ensure that their quality, price, and production capability meet the Group's expectations and standards. Hotel Benito maintained a preferred supplier list, they have undergone the year-end evaluation to ensure high standards of their products and/or service provided on a continuous basis.

The Group perform annual evaluation of the supplier's performance regarding the safety, validity, quality and traceability of product. A qualified test report is required for evaluation process and the authenticity of the report will be identified by procurement department. Poor performance identified will be requested for corrective actions. If no improvements have been made for three times, the suppliers will be delisted. The Group encourages suppliers to maintain a high standard on business ethics and conducts, with satisfactory environmental and social performance. The Group takes note of such details during the procurement process and will terminate the business relationship with the suppliers with negative past records of material environmental or social issues, such as excessive pollutions, discharges to the environment, exploitation of workers and safety incidents.

The Group maintained stable business relationship with all its suppliers. As at 31 March 2022, the Group had a total number of 36 suppliers. To avoid excessive reliance on sole suppliers, we have two to three regular suppliers for each type of purchased material to ensure supply continuity.

	2022
By geographical region	
Hong Kong	**3**
PRC	**31**
Others	**2**

Note 1: The data for geographical region of suppliers was collected and disclosed for the first year. Comparative figure was not available.

B6. Product Responsibility

Product Labelling, Health and Safety, and Advertising

The Group ensures that any labelling information and marketing materials do not contain any misleading content. Specific standards have been followed such as GB 21660 (2008): The general requirement for environment protection, safety, identification and marking of plastics shopping bags.

The Group strictly abided by applicable laws and regulations to guide marketing, advertising, and trading activities such as the Advertisement Law of the PRC, the Customs Law of the PRC, Foreign Trade Law of the PRC.

For packaging materials produced at Nan Sing that are particularly used in food industry, the Group applies national, industrial, and company-specific standards to ensure consumer's health and safety, including for example GB 4806.6–2016 National Food Safety Standard Plastic Resin used in Food-contact. During the Reporting Period, no products sold or shipped subject to recalls for health and safety reasons.

For Hotel Benito, all staff have received appropriate training in hygiene matters that are in line with their work activity and to maintain high standards of hygiene in working areas.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided had been identified during the Reporting Period.

Quality Assurance

The Group formulated specific customer complaint handling processes to manage any complaints received from clients. In case of receipt of complaints for Hotel Benito, the hotel manager will take prompt actions and carry out remedial actions. The Control Procedures on Non-Compliance and Potentially Unsafe Products assures the packaging product quality at Nan Sing. The procedure oversees the quality management from incoming materials to the manufacturing process and outgoing products. The quality personnel will examine the returned products, Customer Complaints Handling Form will be filled, root causes analysis will be performed on complaints, followed by corrective measures if needed. Preventive measurement will be implemented to avoid future mistakes. The Group applies various national, industrial, and company-specific standards during the product quality assurance and quality control, including for example:

- GB/T 2410–2008 Determination of the Luminous Transmittance and Haze of Transparent Plastics
- GB 13022–91 Plastics — Determination of Tensile Properties of Films
- GB 4806.6–2016 National Food Safety Standard Plastic Resin used in Food-contract

For Hotel Benito, the Group formulated customer services policy to ensure high-quality services are provided to customers. In Nan Sing, we strive for providing the best products to our customer and will handle all queries and complaints on timely manner. We will continue monitor and provide sufficient training to our employees in order to maintain high standard of our products. No major complaints were received or products sold subject to recalls for health and safety reasons during the Reporting Period, while eight feedback pertaining to the product minor deficiencies in batch production have been handled in a timely manner, with effective communication with customers, replacement or refund, and enhancement of quality control carried out to improve our product quality.

Customer Data Protection

The Group acknowledges the importance of protecting privacy and confidentiality of its customers' information. The Group prohibits the use of any personal information of clients by other parties for direct marketing purposes, without the explicit and implicit consent of the client. Collection of personal information is used for said purposes only.

The Group issued the Policies & Procedures — Information Technology to prevent data leakage and misuse or abuse of customer sensitive information. For example, the Group utilizes separate broadband services for hotel guests and hotel internal use to ensure hotel network security. Anti-virus software and firewall are installed on all networked servers and constantly updated to prevent virus attack and external hacking.

Intellectual Property

The Group has constantly monitored trademarks (e.g. "Nan Sing" and "Hotel Benito") and domain names, which were also renewed upon their expiration. To protect clients' intellectual property rights, the Group signed a confidentiality agreement with clients when appropriate. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to intellectual property rights had been identified during the Reporting Period.

B7. Anti-corruption

The Group is committed to managing all businesses without undue influence and has regarded honesty, integrity, and fairness as its core values. The Group issued Prevention of Bribery and Corruption policy to remind all employees that no one may solicit or accept, without the prior and specific approval of the top management, for his/her personal benefit and advantage, in money or in kind, from any customers, guests, brokers, vendors, suppliers, dealers, or person having business relation with the Group.

The Group has strictly monitored the implementation of relevant policies and procedures for anti-corruption and anti-money laundering. The Group continues to adopt basic elements of an anti-money laundering program, including:

- formulating written internal policies, procedures and controls;
- performing ongoing employee training for those responsible for carrying out transactions, initiating or establishing business relationships; and
- conducting internal audit function.

The Group continues to implement its whistleblowing policy for all levels and operations under the Group to raise concerns, in confidence, about possible improprieties in any matter related to the Group such as misconduct and malpractice. Employees who raise true and appropriate allegations will be treated fairly, and are protected from unfair dismissal, harm, or improper disciplinary actions, even if the allegations raised cannot be proven. Any matters of genuine concern are to be thoroughly investigated by the management and actions will be taken accordingly. The Group ensures that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption. The Board would monitor the aforesaid implementation and arrange training related to anti-corruption and anti-bribery on a regular basis.

The Group has not violated, engaged to violate any law relating to corruption. The Group has not been involved in, or seek to engage in, money laundering. The Group has not aided, abetted, assisted or colluded with an individual who has committed, or conspired to commit any unlawful activities. No legal case regarding corrupt practices brought against the Group or its employees; nor non-compliance with relevant laws and regulations that have a significant impact on the Group relating to corruption, bribery, fraud and money laundering had been identified during the Reporting Period.

B8. Community Investment

As a responsible corporate citizen, we care about the well-being of our society and the development of our community. We showed our passion to the society by engaging in various community activities held by local organizations. The Group's approach towards community involvement includes the followings:

- Fulfil corporate social responsibility through the sustainable development strategy to expand its efforts in the areas of charity work.
- Provide career opportunities to the locals and promoting the development of the community's economy.
- Encourage our staff to participate in voluntary services and charitable activities.

Since the outbreak of COVID-19, the Group did its utmost to keep their staff heathy and safe from the virus. The Group provides epidemic care packs to their employees, which included alcohol swabs, masks, wet wipes, alcohol sprays, and hand rubs from time to time. In the future, the Group will continue to participate actively in social welfare activities to better serve the community and seek for opportunities to get involved in various community programs.

CONTENT INDEX

ENVIRONMENTAL		Section Reference
Aspect 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.	• Environmental
KPI A1.1	The types of emissions and respective emissions data.	• Emissions
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).	• Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	• Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	• Emissions
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.	• Emissions
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	• Use of Resources
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).	• Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	• Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	• Use of Resources
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.	• Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	• Use of Resources

ENVIRONMENTAL		Section Reference
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	• The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	• The Environment and Natural Resources
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.	• Climate Change
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.	• Climate Change

SOCIAL		Section Reference
Aspect 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.	• Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	• Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	• Employment

SOCIAL		Section Reference
Aspect 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.	• Employee Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	• Employee Health and Safety
KPI B2.2	Lost days due to work injury.	• Employee Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	• Employee Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	• Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	• Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	• Development and Training
Aspect 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.	• Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	• Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	• Labour Standards

SOCIAL		Section Reference
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	• Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	• Supply Chain Management
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.	• Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	• Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	• Supply Chain Management
Aspect 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.	• Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	• Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	• Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	• Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	• Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	• Product Responsibility

SOCIAL		Section Reference
Aspect 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.	• Anti-corruption
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.	• Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	• Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	• Anti-corruption
Aspect 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.	• Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	• Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	• Community Investment

Grant Thornton
致同

To the members of Southeast Asia Properties & Finance Limited
(incorporated in the Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Southeast Asia Properties & Finance Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 75 to 168, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Valuation of investment properties

Refer to notes 2.6, 4.1 and 18 to the consolidated financial statements

The Key Audit Matter

As at 31 March 2022, the Group had investment properties amounting to HK$$827,435,164. Gain arising from the change in fair value of the investment properties amounting to HK$18,709,722 was recognised in the consolidated statement of profit or loss during the year ended 31 March 2022. The estimate of the fair value of the Group's investment properties requires significant management estimation and judgement taking into account the conditions and locations of the properties as well as the latest market transactions. The Group has engaged independent external valuers ("Valuers") to perform valuations on the investment properties at the end of the reporting period.

We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with management estimation and judgement associated with when determining the fair value.

How the matter was addressed in our audit

Our audit procedures to assess the valuation of investment properties included:

– evaluating the competence, capabilities and objectivity of the Valuers;

– obtaining an understanding from the Valuers about the valuation methodologies, significant unobservable inputs and critical judgement on key inputs and data used in the valuations;

– assessing the reasonableness of valuation methodologies used by the Valuers;

– assessing the reasonableness of significant unobservable inputs used by the Valuers by comparing them to publicly available information of similar comparable properties;

– evaluating the reasonableness of adjusting factors on the conditions and locations of the properties made by the Valuers by comparing them with historical adjusting factors applied, comparability and other market factors for similar properties; and

– discussing the valuations with the Valuers and challenging the key estimates adopted in the valuations, with the assistance of a property valuation specialists engaged by us.

KEY AUDIT MATTERS (Cont'd)

Provision for expected credit losses ("ECL") of trade receivables
Refer to notes 2.9, 4.1, 25 and 47.5 to the consolidated financial statements

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2022, the Group had trade receivables of HK$152,225,685, net of ECL allowance of HK$2,276,835. The Group recognises ECL allowance for trade receivables by adopting the ECL model. In calculating the ECL allowance, the loss rates are estimated based on probability of default and recovery rate; and exposure of default after consideration of underlying collaterals, if any, and adjusted for forward-looking information that is available without undue cost or effort. To support management's determination of the ECL, the Group has engaged an independent external valuer ("Valuer") to perform valuations on the impairment assessment of trade receivables at the end of the reporting period. We identified the impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the consolidated financial statements and the involvement of management judgement and estimates in evaluating the ECL allowance of the Group's trade receivables at the end of the reporting period.	Our audit procedures to assess the impairment assessment of trade receivables included: – evaluating the competence, capabilities and objectivity of the Valuer; – discussing the Group's policies and procedures on credit periods given to customers with the management; – checking, on a sample basis, the aging profile of the trade receivables as at 31 March 2022 to the underlying financial records; – inquiring management for the status of each of the material trade receivables past due as at 31 March 2022 and corroborating explanations from management with supporting evidence, such as understanding on-going business relationship with the customers based on trade records, checking historical settlement records and other correspondence with the customers; and – assessing the appropriateness of the ECL provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the ECL allowance.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the 2022 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 June 2022

Kwok Siu Kwan Sylvia
Practising Certificate No.: P06616

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2022 (in HK Dollars)

	Notes	**2022**	2021
Revenue	6	**274,414,996**	260,322,083
Cost of sales		**(191,901,750)**	(174,373,962)
Gross profit		**82,513,246**	85,948,121
Other revenue and other income	7	**3,129,628**	6,398,854
Gain/(Loss) arising from change in fair value of investment properties		**18,709,722**	(47,586,253)
Gain arising from financial assets at fair value through profit or loss ("FVTPL")	10	**4,529,966**	1,034,431
Selling and distribution expenses		**(10,002,284)**	(5,965,132)
Administrative expenses		**(49,915,403)**	(65,917,600)
(Provision for)/Reversal of expected credit loss ("ECL") allowance of trade and other receivables		**(1,734,448)**	2,581,571
Other operating expenses		**(991,051)**	(105,198)
Finance costs	8	**(9,016,277)**	(7,292,699)
Share of results of associates		**(696,348)**	(3,397,622)
Impairment loss recognised in respect of amount due from an associate	19	**(5,579,857)**	(1,782,976)
Gain on disposal of subsidiaries	43	**–**	53,407,082
Profit before income tax		**30,946,894**	17,322,579
Income tax expense	9	**(4,209,278)**	(8,779,924)
Profit for the year	10	**26,737,616**	8,542,655
Profit for the year attributable to:			
Owners of the Company		**26,512,717**	6,266,111
Non-controlling interests		**224,899**	2,276,544
		26,737,616	8,542,655
Earnings per share attributable to owners of the Company			
Basic and diluted (HK cents)	12	**11.8**	2.8

The notes on pages 81 to 168 are an integral part of these consolidated financial statements. Details of dividends proposed for the year are set out in note 11.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022 (in HK Dollars)

	Note	**2022**	2021
Profit for the year	10	**26,737,616**	8,542,655
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**5,186,444**	10,156,904
Items that will not be reclassified subsequently to profit or loss			
Financial assets at fair value through other comprehensive income ("FVOCI") (non-recycling) – net movement in fair value reserves (non-recycling)		**1,236,002**	–
Other comprehensive income for the year		**6,422,446**	10,156,904
Total comprehensive income for the year		**33,160,062**	18,699,559
Total comprehensive income attributable to:			
Owners of the Company		**32,639,636**	15,782,033
Non-controlling interests		**520,426**	2,917,526
		33,160,062	18,699,559

The notes on pages 81 to 168 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022 (in HK Dollars)

	Notes	**2022**	2021
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16	**164,552,045**	153,222,523
Right-of-use assets	17	**14,222,233**	14,281,194
Investment properties	18	**827,435,164**	805,236,720
Interests in associates	19	**13,340,173**	14,422,890
Intangible assets	20	**3,501,501**	3,702,706
Other assets	21	**2,700,000**	2,962,454
Financial assets at FVOCI (non-recycling)	22	**73,132,554**	15,000,000
Loan receivables	23	**41,883,085**	–
Deposits and prepayments	26	**–**	17,895,490
Deferred tax assets	37	**3,389,741**	2,671,782
		1,144,156,496	1,029,395,759
Current assets			
Inventories	24	**60,643,963**	48,929,873
Trade and other receivables	25	**154,769,751**	120,233,466
Deposits and prepayments	26	**5,114,367**	5,812,334
Tax recoverable		**2,000,686**	251,736
Restricted cash	27	**4,100,000**	4,100,000
Financial assets at FVTPL	28	**34,600,000**	22,502,500
Trust accounts of shares dealing clients	29	**88,603,357**	91,918,726
Cash and cash equivalents	30	**83,536,258**	159,575,769
		433,368,382	453,324,404
Current liabilities			
Trade and other payables	31	**145,006,871**	134,382,272
Contract liabilities	32	**1,228,797**	1,421,221
Bank loans	33	**337,169,106**	106,869,971
Amount due to an associate	35	**1,490,170**	666,695
Lease liabilities	34	**1,062,992**	1,005,704
Tax payable		**287,594**	4,524,637
		486,245,530	248,870,500
Net current (liabilities)/assets		**(52,877,148)**	204,453,904
Total assets less current liabilities		**1,091,279,348**	1,233,849,663

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2022 (in HK Dollars)

	Notes	**2022**	2021
Non-current liabilities			
Bank loans	33	**–**	168,279,062
Amount due to a non-controlling interest	36	**3,270,000**	3,170,000
Deferred tax liabilities	37	**13,795,122**	13,190,836
		17,065,122	184,639,898
Net assets		**1,074,214,226**	1,049,209,765
EQUITY			
Share capital	38	**245,062,941**	245,062,941
Reserves		**818,819,351**	792,942,316
Equity attributable to owners of the Company		**1,063,882,292**	1,038,005,257
Non-controlling interests		**10,331,934**	11,204,508
Total equity		**1,074,214,226**	1,049,209,765

The notes on pages 81 to 168 are an integral part of these consolidated financial statements.

Chua Nai Tuen
Director

Nelson Junior Chua
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022 (in HK Dollars)

	Share capital	Fair value reserve (non-recycling)*	Property revaluation reserve* *(Note)*	Exchange reserve*	Retained profits*	Subtotal	Non-controlling interests	Total
At 1 April 2020	245,062,941	–	4,278,755	27,084,226	752,559,903	1,028,985,825	8,286,982	1,037,272,807
Profit for the year	–	–	–	–	6,266,111	6,266,111	2,276,544	8,542,655
Other comprehensive income for the year	–	–	–	9,515,922	–	9,515,922	640,982	10,156,904
Total comprehensive income for the year	–	–	–	9,515,922	6,266,111	15,782,033	2,917,526	18,699,559
2020 final dividends paid *(Note 11)*	–	–	–	–	(6,762,601)	(6,762,601)	–	(6,762,601)
At 31 March 2021 and At 1 April 2021	245,062,941	–	4,278,755	36,600,148	752,063,413	1,038,005,257	11,204,508	1,049,209,765
Profit for the year	**–**	**–**	**–**	**–**	**26,512,717**	**26,512,717**	**224,899**	**26,737,616**
Other comprehensive income for the year	**–**	**1,236,002**	**–**	**4,890,917**	**–**	**6,126,919**	**295,527**	**6,422,446**
Total comprehensive income for the year	**–**	**1,236,002**	**–**	**4,890,917**	**26,512,717**	**32,639,636**	**520,426**	**33,160,062**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**(1,393,000)**	**(1,393,000)**
2021 final dividends paid *(Note 11)*	**–**	**–**	**–**	**–**	**(6,762,601)**	**(6,762,601)**	**–**	**(6,762,601)**
At 31 March 2022	**245,062,941**	**1,236,002**	**4,278,755**	**41,491,065**	**771,813,529**	**1,063,882,292**	**10,331,934**	**1,074,214,226**

Note:

Property revaluation reserve relates to the properties reclassified from owner-occupied properties to investment properties. The accumulated increase in fair value in excess of any impairment losses recognised at the date of reclassification is included in property revaluation reserve, which will be transferred to retained profits upon retirement or disposal of the relevant property.

* The reserves accounts comprise the Group's reserves of HK$818,819,351 (2021: HK$792,942,316) in the consolidated statement of financial position.

The notes on pages 81 to 168 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022 (in HK Dollars)

	Notes	**2022**	2021
Cash (used in)/generated from operations	40	**(15,542,719)**	9,464,070
Profits tax paid		**(10,309,685)**	(5,973,571)
Net cash (used in)/generated from operating activities		**(25,852,404)**	3,490,499
Cash flows from investing activities			
Interest received		**1,182,895**	1,442,425
Dividend received from listed equity securities		**1,661,187**	581,943
Advance to associates		**(5,193,488)**	(1,081,941)
Purchases of property, plant and equipment		**(13,855,576)**	(10,016,250)
Additions to investment properties		**(3,488,722)**	(3,145,142)
Deposit paid for long-term investments		**–**	(17,895,490)
Proceeds from disposal of property, plant and equipment		**–**	13,341
Proceeds from disposal of subsidiaries		**–**	179,825,621
Purchases of financial assets at FVOCI (non-recycling)		**(56,896,552)**	–
Advances to loan receivables		**(23,987,595)**	–
Net cash (used in)/generated from investing activities		**(100,577,851)**	149,724,507
Cash flows from financing activities			
Dividend paid		**(8,155,601)**	(6,762,601)
Interest paid		**(4,680,413)**	(6,938,444)
Interest portion of the lease liabilities		**(11,564)**	(17,443)
Principal portion of the lease liabilities		**(1,358,686)**	(1,332,557)
Other finance costs paid		**(307,248)**	(377,869)
Proceeds from new bank loans		**1,742,000,000**	1,554,500,000
Repayment of bank loans		**(1,679,979,927)**	(1,638,445,433)
Advance from non-controlling interests		**100,000**	60,000
Advance from/(Repayment of) amount due to an associate		**823,475**	(351,802)
Net cash generated from/(used in) financing activities		**48,430,036**	(99,666,149)
Net (decrease)/increase in cash and cash equivalents		**(78,000,219)**	53,548,857
Cash and cash equivalents at beginning of the year		**159,575,769**	103,372,537
Effect of foreign exchange rate changes, net		**1,960,708**	2,654,375
Cash and cash equivalents at end of the year	30	**83,536,258**	159,575,769

The notes on pages 81 to 168 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Southeast Asia Properties & Finance Limited (the "Company") is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office is Units 407-410, 4th Floor, Tower 2, Silvercord, No. 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong and, its principal place of business is Hong Kong and the People's Republic of China (the "PRC"). The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal activities of the Company and its subsidiaries (the "Group") include investment holding, property investment, development and leasing, hotel operation, manufacturing and distribution of plastic packaging materials and securities broking and margin financing.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

These consolidated financial statements for the year ended 31 March 2022 were approved for issue by the board of directors on 29 June 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's consolidated financial statements, if any, are disclosed in note 3.

These consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial assets which are stated at fair values. The measurement bases are fully described in the accounting policies below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (Cont'd)

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group in light of the fact that, as of 31 March 2022, the Group's current liabilities exceeded its current assets by HK$52,877,148. The directors are of the opinion that the Group will have sufficient working capital to finance its operations and continue as a going concern given that: (i) the Group had bank balances and cash of HK$83,536,258 as at 31 March 2022 which enable the Group to meet its payment obligations at all times; (ii) as at 31 March 2022, the Group had undrawn facilities totalling HK$171,069,000 which were the overdraft and the revolving loan facilities granted by the banks; (iii) the directors have reviewed the likelihood of renewal of existing banking facilities of short-term bank borrowings of approximately HK$166,000,000, which the directors believed that the short-term bank borrowings can be renewed to mid of 2025 upon the expiry; and (iv) the management has prepared cash flow forecasts which demonstrated that the Group had sufficient working capital over the next twelve months from the end of the reporting period. After taking into account the above, the directors of the Company are satisfied that the Group will be able to meet their financial obligations when they fall due. Accordingly, the directors of the Company are of the opinion that the consolidated financial statements have been prepared on a going concern basis.

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

2.2 Basis of consolidation

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Basis of consolidation (Cont'd)

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

Non-controlling interests represent the equity on a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e., reclassified to profit or loss or transferred directly to retained profits).

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Associate

An associate is an entity over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

In the consolidated financial statements, an investment in an associate is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the Group's interest in the associate is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate's net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The profit or loss for the year includes the Group's share of the post-acquisition, post-tax results of the associate for the year, including any impairment loss on the investment in associate recognised for the year.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Where unrealised losses on assets sales between the Group and its associate are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate's accounting policies to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. For this purpose, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Associate (Cont'd)

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. At the end of each reporting period, the Group determines whether there is any objective evidence that the investment in associate is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (i.e. higher of value in use and fair value less costs of disposal) of the associate and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate, including cash flows arising from the operations of the associate and the proceeds on ultimate disposal of the investment.

In the Company's statement of financial position, investments in associates are stated at cost less impairment losses, unless being classified as held for sale (or included in a disposal group that is classified as held for sale).

2.4 Foreign currency translation

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

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated (i.e. only translated using the exchange rates at the transaction date).

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Property, plant and equipment

Property, plant and equipment (other than construction in progress) are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Construction in progress are carried at cost, less any recognised impairment loss. They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

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

Buildings	Over the shorter of its estimated useful life or lease terms
Plant and machinery	10%
Furniture, fixtures and equipment	10%–25%
Motor vehicles	20%

Accounting policy for depreciation of right-of-use assets is set out in note 2.13.

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Investment properties

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

Investment properties include leased properties which are being recognised as right-of-use assets under HKFRS 16.

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

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

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

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

2.7 Intangible assets (other than goodwill)

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Intangible assets, with indefinite useful lives, are tested for impairment as described below in note 2.18.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Financial instruments

Recognition and derecognition

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

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

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("FVTPL"), plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated statement of profit or loss.

Financial assets are classified into the following categories:

- amortised cost;

- FVTPL; or

- fair value through other comprehensive income ("FVOCI").

The classification is determined by both:

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

- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, other revenue and other income, except for expected credit losses ("ECL") of trade and other receivables which is presented as a separate item in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Financial instruments (Cont'd)

Financial assets (Cont'd)

Subsequent measurement of financial assets

Debt investments

Financial assets at amortised cost

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

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

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

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

Financial assets at FVTPL

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Financial instruments (Cont'd)

Financial assets (Cont'd)

Subsequent measurement of financial assets (Cont'd)

Equity investments

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

The equity instruments at FVOCI are not subject to impairment assessment. The cumulative gain or loss in "Fair value reserve (non-recycling)" will not be reclassified to profit or loss upon disposal of the equity investments, and will be transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Dividends are included in the "Other revenue and other income" in profit or loss.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, bank loans, amount due to an associate, lease liabilities and amount due to a non-controlling interest.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.8 Financial instruments (Cont'd)

Financial liabilities (Cont'd)

Classification and measurement of financial liabilities (Cont'd)

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

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised cost using the effective interest method.

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

Accounting policies of lease liabilities are set out in note 2.13.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings 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 twelve months after the end of the reporting period.

Trade and other payables, amounts due to an associate and a non-controlling interest

Trade and other payables, amounts due to an associate and a non-controlling interest are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Impairment of financial assets

HKFRS 9's impairment requirements use more forward-looking information to recognise ECL – the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables.

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

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

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

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

'Stage 3' would cover financial assets that have objective evidence of impairment at the end of the reporting period.

'12-month ECL' are recognised for the first category while 'lifetime ECL' are recognised for the second category.

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

Trade receivables

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

For ECL assessment of trade receivables arising from manufacturing and distribution of plastic packaging materials, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

For ECL assessment of trade receivables arising from broking/securities margin financing and leasing, the assessment was performed on individual basis by reference to valuation of collateral and the internal credit rating.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Impairment of financial assets (Cont'd)

Other financial assets measured at amortised cost

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

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

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

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.9 Impairment of financial assets (Cont'd)

Other financial assets measured at amortised cost (Cont'd)

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

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

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in note 47.5.

2.10 Inventories

Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and applicable selling expenses. Cost is determined using the weighted average basis, and in the case of work in progress and finished goods, comprise direct materials, direct labour and an appropriate proportion of overheads. It excludes borrowing costs.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Contract liabilities

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Leases

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

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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

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

The Group leases lands. All land in the PRC is state-owned or collectively-owned and no individual land ownership exists. The Group acquires the right to use certain land. The premiums paid for such right are treated as prepayment for the lease and recognised as right-of-use assets.

Except for those right-of-use assets meeting the definition of investment properties, the Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset (except for those meeting the definition of investment properties) for impairment when such indicator exists. Those right-of-use assets meeting the definition of investment properties are subsequently measured at fair value, in accordance with the Group's accounting policies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Leases (Cont'd)

(a) *Definition of a lease and the Group as a lessee (Cont'd)*

Measurement and recognition of leases as a lessee (Cont'd)

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

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The Group remeasures lease liabilities whenever:

- there are changes in lease term or in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments changes due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.13 Leases (Cont'd)

(a) Definition of a lease and the Group as a lessee (Cont'd)

Measurement and recognition of leases as a lessee (Cont'd)

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

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

(b) The Group as a lessor

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

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

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

2.14 Provisions

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

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

2.15 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Revenue recognition

Revenue arises mainly from the sales of goods and rendering of services.

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

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

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

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

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

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

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

Sales of goods

Revenue from sales of goods is recognised when the Group transfers control of the assets to the customer. Control transfers at the point in time when the goods are delivered to the customers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.16 Revenue recognition (Cont'd)

Brokerage commission

The Group provides broking, dealing and handling services for securities, futures and options contracts. Brokerage commission is recognised at a point in time on the execution date of the trades at a certain percentage of the transaction value of the trades executed.

Hotel accommodation income

Hotel accommodation income is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation, as the customers simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of ECL allowance) of the asset.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Rental income from operating leases

Accounting policies for rental income are set out in note 2.13.

Handling fee income from stock broking, transportation fee income and accounting fee

Handling fee income from stock broking, transportation fee income and accounting fee are recognised when the services are rendered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.17 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income is presented in gross under "Other revenue and other income" in the consolidated statement of profit or loss.

2.18 Impairment of non-financial assets

The following assets are subject to impairment testing:

- Intangible assets;
- Property, plant and equipment;
- Right-of-use assets; and
- The Company's interests in subsidiaries and associates

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

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

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Corporate assets are allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.18 Impairment of non-financial assets (Cont'd)

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

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

2.19 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

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

The employees of the Group's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. This subsidiary is required to contribute certain percentage of its payroll costs to the central pension scheme.

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

Short-term employee benefits

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.20 Borrowing costs

Borrowing costs are expensed when incurred.

2.21 Accounting for income taxes

Income tax comprises current tax and deferred tax.

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.21 Accounting for income taxes (Cont'd)

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

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

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

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

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

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

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

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

    (i) the same taxable entity; or

    (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.22 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product and service lines.

The Group has identified the following reportable segments:

- Property investment, development and leasing/hotel operation
- Manufacturing and distribution of plastic packaging materials
- Broking and securities margin financing

Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group used for reporting segment results under HKFRS 8 "Operating Segments" are the same as those used in its financial statements prepared under HKFRSs, except that the following items are not included in arriving at the operating results of the operating segment:

- share of results of associates and impairment loss of amounts due from associates;
- certain finance costs;
- income tax expense; and
- corporate income and expenses which are not directly attributable to the business activities of any operating segment.

Segment assets include all assets but exclude corporate assets which are not directly attributable to the business activities of any operating segment, which primarily applies to the Group's head office.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include bank loans which are not directly attributable to the business activities of any operating segment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.23 Related parties

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

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

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

(ii) has significant influence over the Group; or

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

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

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

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

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

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

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

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

3. ADOPTION OF NEW AND AMENDED HKFRSs

Amended HKFRSs that are effective for annual period beginning on 1 April 2021

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

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

The adoption of the amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

Issued but not yet effective HKFRSs

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

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

3. ADOPTION OF NEW AND AMENDED HKFRSs (Cont'd)

Issued but not yet effective HKFRSs (Cont'd)

[1] Effective for annual periods beginning on or after 1 January 2022
[2] Effective for annual periods beginning on or after 1 January 2023
[3] Effective date not yet determined
[4] Effective for business combination/common control combination for which the acquisition/combination date is on or after the beginning of the first annual period beginning on or after 1 January 2022
[5] Effective for annual periods beginning on or after 1 April 2021

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRSs are not expected to have a material impact on the Group's consolidated financial statements.

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

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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:

Estimation of fair value of investment properties

The Group's investment properties are stated at fair value based on the valuation performed by independent qualified valuers. In determining the fair value, the surveyors have based on methods of valuation which involves certain estimates. In relying on the valuation report, the directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions. Should there be any changes in assumptions due to change of market conditions, the fair value of the investment properties will change in future.

As at 31 March 2022, the carrying amounts of the Group's investment properties carried at fair value were HK$827,435,164 (2021: HK$805,236,720). Details of the fair value measurements are disclosed in note 18.

Estimation of impairment of trade receivables and loan receivables within the scope of ECL under HKFRS 9

The Group makes allowances on trade receivables and loan receivables subject to ECL based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period as set out in note 2.9. As at 31 March 2022, the aggregate carrying amounts of trade receivables and loan receivables amounted to HK$152,225,685 (net of ECL allowance of HK$2,276,835) (2021: HK$118,288,213 (net of ECL allowance of HK$528,534)) and HK$41,883,085 (net of ECL allowance of nil) (2021: nil) respectively.

When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade receivables and loan receivables within the scope of ECL under HKFRS 9 and credit losses in the periods in which such estimate has been changed.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

4.2 Critical accounting judgements

Deferred tax on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that Group's investment properties located in Hong Kong are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred tax on investment properties located in Hong Kong, the directors of the Company have determined with the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties located in Hong Kong as the Group is not subject to any income taxes on fair value changes of the investment properties on disposal.

For investment properties located in the PRC, deferred taxes are recognised on the fair value changes of investment properties as the Group is subject to capital gain tax upon disposal of the relevant investment properties.

Control over Nice Profit Hong Kong Investment Limited ("Nice Profit")

The Group holds 50% interest and voting right in Nice Profit while the remaining 50% interest and voting right is held by an independent third party. With regard of the board of directors of Nice Profit, it is composed of three directors in which two of them are director and senior management of the Group respectively and the remaining one is the independent third party who holds 50% interests and voting right of Nice Profit. This independent third party has agreed to act in accordance with the Group for daily operation of the Nice Profit and the decision made by the Group for Nice Profit in all matters including but not limited to dividend policy, funding structure and selecting, acquiring or disposing of assets. Thus, the Group has sufficiently dominant voting interest to direct the relevant activities of Nice Profit and therefore has control over Nice Profit.

5. SEGMENT INFORMATION

The executive directors of the Company, being the chief operating decision makers, have identified the following operating segments of the Group as further described in note 2.22.

Property investment, development and leasing/hotel operation	Provision of hotel services in Hong Kong and investing, developing and leasing properties in Hong Kong and the PRC
Manufacturing and distribution of plastic packaging materials	Manufacturing and distribution of plastic packaging materials
Broking and securities margin financing	Provision of stock and futures broking and provision of securities margin financing

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

5. SEGMENT INFORMATION (Cont'd)

5.1 Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Property investment, development and leasing/hotel operation		Manufacturing and distribution of plastic packaging materials		Broking and securities margin financing		Consolidated	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Segment revenue								
– from external customers	**12,339,775**	16,534,210	**242,646,651**	224,588,702	**19,428,570**	19,199,171	**274,414,996**	260,322,083
Segment results	**(10,110,061)**	(15,228,807)	**22,410,100**	32,588,591	**10,643,097**	6,615,263	**22,943,136**	23,975,047
Gain on deregistration of a subsidiary	**603,630**	–	**-**	–	**-**	–	**603,630**	–
Gain on disposal of subsidiaries	**-**	53,407,082	**-**	–	**-**	–	**-**	53,407,082
Gain/(Loss) arising from change in fair value of investment properties	**18,709,722**	(47,586,253)	**-**	–	**-**	–	**18,709,722**	(47,586,253)
	9,203,291	(9,407,978)	**22,410,100**	32,588,591	**10,643,097**	6,615,263	**42,256,488**	29,795,876
Unallocated finance costs							**(5,033,389)**	(7,292,699)
Share of results of associates							**(696,348)**	(3,397,622)
Impairment loss recognised in respect of amount due from an associate							**(5,579,857)**	(1,782,976)
Profit before income tax							**30,946,894**	17,322,579
Income tax expense							**(4,209,278)**	(8,779,924)
Profit for the year							**26,737,616**	8,542,655
Interest income	**446,871**	858	**344,135**	459,755	**391,889**	981,812	**1,182,895**	1,442,425
Depreciation of right-of-use assets	**23,085**	23,085	**1,846,195**	1,776,700	**-**	–	**1,869,280**	1,799,785
Depreciation of property, plant and equipment	**4,147,584**	4,498,584	**5,621,111**	5,813,925	**273,543**	303,904	**10,042,238**	10,616,413
(Gain)/Loss arising from change in fair value of investment properties	**(18,709,722)**	47,586,253	**-**	-	**-**	–	**(18,709,722)**	47,586,253
Loss on disposal of property, plant and equipment	**-**	355,325	**-**	–	**-**	–	**-**	355,325
Write off of property, plant and equipment	**-**	11,194,022	**-**	–	**1,859**	–	**1,859**	11,194,022
Impairment loss recognised in respect of intangible assets	**-**	–	**-**	–	**201,205**	–	**201,205**	–
Provision for ECL allowance of trade and other receivables	**-**	–	**270,255**	–	**1,464,193**	–	**1,734,448**	–
Reversal of ECL allowance of trade and other receivables	**-**	–	**-**	(448,663)	**-**	(2,132,908)	**-**	(2,581,571)
Bad debt recovered	**-**	–	**-**	-	**(48,000)**	(92,450)	**(48,000)**	(92,450)
Bad debt written off	**-**	64,644	**-**	81,637	**-**	–	**-**	146,281

5. SEGMENT INFORMATION (Cont'd)

5.2 Segment assets and liabilities

	Property investment, development and leasing/ hotel operation		Manufacturing and distribution of plastic packaging materials		Broking and securities margin financing		Consolidated	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
Assets								
Reportable segment assets	**997,286,128**	861,330,320	**231,219,260**	271,048,414	**283,178,666**	281,701,604	**1,511,684,054**	1,414,080,338
Unallocated corporate assets							**65,840,824**	68,639,825
Total assets							**1,577,524,878**	1,482,720,163
Liabilities								
Reportable segment liabilities	**31,135,083**	24,867,302	**35,485,880**	29,171,603	**99,520,583**	104,322,460	**166,141,546**	158,361,365
Unallocated corporate liabilities							**337,169,106**	275,149,033
Total liabilities							**503,310,652**	433,510,398
Additions to non-current assets (other than financial instruments and deferred tax assets)	**21,676,114**	12,479,633	**2,485,456**	1,974,040	**101,422**	47,760	**24,262,992**	14,501,433

5.3 Geographical segment

The Group's revenues from external customers and its non-current assets (other than financial instruments and deferred tax assets) are divided into the following geographical areas. The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the assets in case of property, plant and equipment, right-of-use assets and investment properties, the location of operation to which they are allocated in case of intangible assets, and the location of operation in case of interests in associates.

	Revenue from external customers		Non-current assets	
	2022	2021	**2022**	2021
Hong Kong (domicile)	**73,614,489**	82,545,970	**931,808,792**	896,139,588
PRC	**68,813,446**	48,379,241	**91,159,642**	94,257,394
Japan	**49,629,054**	56,421,151	**–**	–
Oceania	**47,577,905**	43,830,092	**–**	–
North America	**21,131,400**	14,537,567	**–**	–
Europe	**13,648,702**	14,608,062	**–**	–
	274,414,996	260,322,083	**1,022,968,434**	990,396,982

5. SEGMENT INFORMATION (Cont'd)

5.4 Information about major customers

Revenue from customers contributing over 10% of revenue of the Group is as follows:

	2022	2021
Manufacturing and distribution of plastic packaging materials		
Customer A	**40,986,885**	44,106,060

As at 31 March 2022, 6% (2021: 3%) of the Group's trade receivables was due from this customer.

6. REVENUE

The Group's principal activities are disclosed in note 1 to the consolidated financial statements.

The Group's revenue recognised during the year is as follows:

	2022	2021
Revenue from contracts with customers		
Sales of goods	**242,646,652**	224,588,702
Brokerage commission	**8,175,032**	11,020,689
Hotel accommodation income *(Note)*	**–**	525,351
	250,821,684	236,134,742
Revenue from other sources		
Rental and related income	**12,339,775**	16,008,859
Interest income received from clients	**9,592,350**	7,596,539
Dividend income from listed equity securities	**1,661,187**	581,943
	23,593,312	24,187,341
Total revenue	**274,414,996**	260,322,083

Note: No hotel accommodation income during the year ended 31 March 2022 was mainly due to temporary suspension of hotel operation business in Hong Kong from 1 June 2020 for alteration and addition works.

6. REVENUE (Cont'd)

Disaggregation of revenue from contracts with customers with the scope of HKFRS 15

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following geographical markets:

	2022	2021
Timing of revenue recognition		
At a point in time	**250,821,684**	235,609,391
Over time	**–**	525,351
	250,821,684	236,134,742
Geographical markets		
PRC	**68,334,825**	47,886,540
Hong Kong	**50,499,798**	58,851,330
Japan	**49,629,054**	56,421,151
Oceania	**47,577,905**	43,830,092
North America	**21,131,400**	14,537,567
Europe	**13,648,702**	14,608,062
	250,821,684	236,134,742

7. OTHER REVENUE AND OTHER INCOME

	2022	2021
Interest income	**1,182,895**	1,442,425
Other income *(note a)*	**203,277**	594,045
Accounting fee received from associates	**210,000**	–
Building management fee	**–**	91,363
Handling fee income from stock broking	**862,022**	1,022,317
Sales of scrap materials	**19,804**	152,429
Gain on deregistration of a subsidiary *(note 49)*	**603,630**	–
Bad debt recovered	**48,000**	92,450
Government grants *(note b)*	**–**	3,003,825
	3,129,628	6,398,854

7. OTHER REVENUE AND OTHER INCOME (Cont'd)

Notes:

(a) Other income mainly represents transportation fee charged to customers.

(b) During the year ended 31 March 2021, the Group received funding support amounting to HK$2,449,930 from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Hong Kong Government. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees. The Group also received government grants of HK$125,895 in PRC mainly in relation to the encouragement of staff employment.

There were no unfulfilled conditions or contingencies relating to these government grants.

8. FINANCE COSTS

	2022	2021
Interest expenses on:		
Bank loans	**4,693,899**	6,783,974
Other borrowings	**20,678**	113,413
Finance charges on loans to a private company *(note 23)*	**3,982,888**	–
Finance charges on lease liabilities	**11,564**	17,443
Bank charges	**307,248**	377,869
	9,016,277	7,292,699

9. INCOME TAX EXPENSE

	2022	2021
Hong Kong Profits Tax		
– Current tax	**3,431,663**	6,141,858
– Under provision in prior years	**347,089**	101,002
	3,778,752	6,242,860
PRC Enterprise Income Tax ("EIT")		
– Current tax	**502,510**	697,847
– Under/(Over) provision in prior years	**41,689**	(19,455)
	544,199	678,392
Deferred tax (credit)/charge *(note 37)*	**(113,673)**	1,858,672
Total income tax expense	**4,209,278**	8,779,924

9. INCOME TAX EXPENSE (Cont'd)

The provision for Hong Kong Profits Tax for 2022 is calculated at 16.5% (2021: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying entities are taxed at 8.25%, and the profits above HK$2,000,000 are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2021.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

Reconciliation between tax expense and accounting profit at applicable tax rates is as follow:

	2022	2021
Profit before income tax	**30,946,894**	17,322,579
Tax on profit before income tax, calculated at the rates applicable to profits in the tax jurisdiction concerned	**5,077,966**	2,865,895
Tax effect of non-deductible expenses	**4,329,387**	12,418,630
Tax effect of non-taxable income	**(7,182,204)**	(11,252,753)
Tax effect of tax losses not recognised	**1,719,950**	3,416,206
Utilisation of tax losses previously not recognised	**(45,095)**	(56,050)
Tax effect of temporary differences not recognised	**(10,738)**	970,841
Tax effect of share of results of associates	**114,897**	560,608
Tax concession of Hong Kong Profits Tax	**(18,663)**	(60,000)
Effect on two-tiered profits tax rates regime	**(165,000)**	(165,000)
Under provision in respect of prior years	**388,778**	81,547
Income tax expense	**4,209,278**	8,779,924

10. PROFIT FOR THE YEAR

Profit for the year is arrived at after charging/(crediting):

	2022	2021
Cost of inventories sold	**159,132,069**	137,655,512
Direct operating expenses for generating rental income	**2,282,499**	2,406,122
Auditors' remuneration:		
– Audit services	**925,172**	851,599
– Non-audit services	**–**	72,100
	925,172	923,699
Depreciation:		
– Property, plant and equipment	**10,042,238**	10,616,413
– Right-of-use assets	**1,869,280**	1,799,785
	11,911,518	12,416,198
Gain on disposal of financial assets at FVTPL	**(51,426)**	(568,952)
Gain on change in fair value of financial assets at FVTPL	**(4,478,540)**	(465,479)
	(4,529,966)	(1,034,431)
Impairment loss recognised in respect of amount due from an associate	**5,579,857**	1,782,976
Impairment loss recognised in respect of intangible assets	**201,205**	–
Provision for ECL allowance of trade and other receivables	**1,734,448**	–
Reversal of ECL allowance of trade and other receivables	**–**	(2,581,571)
Bad debt written off	**–**	146,281
Bad debt recovered	**(48,000)**	(92,450)
Loss on disposal of property, plant and equipment	**–**	355,325
Gain on deregistration of a subsidiary	**(603,630)**	–
Gain on disposal of subsidiaries	**–**	(53,407,082)
Write-off of property, plant and equipment	**1,859**	11,194,022
Exchange loss, net	**471,618**	93,560

11. DIVIDENDS

(a) Dividends attributable to the year:

	2022	2021
Proposed final dividend of HK3 cents per ordinary share (2021: HK3 cents)	**6,762,601**	6,762,601

The final dividend proposed after the end of the reporting period is subject to approval of the shareholders at the forthcoming annual general meeting of the Company and has not been recognised as a liability at the end of the reporting period, but reflected as an appropriation of retained profits for the year ended 31 March 2022.

(b) Dividends attributable to the previous financial year, approved and paid during the year:

	2022	2021
Final dividends in respect of the previous year, of HK3 cents per ordinary share (2021: HK3 cents)	**6,762,601**	6,762,601

12. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic and diluted earnings per share is based on profit attributable to owners of the Company of HK$26,512,717 (2021: HK$6,266,111) and on the weighted average number of 225,420,034 (2021: 225,420,034) ordinary shares in issue during the year.

The diluted earnings per share for the years ended 31 March 2022 and 2021 were the same as basic earnings per share as there were no dilutive potential ordinary shares in existence for both years.

13. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

	2022	2021
Wages, salaries and allowances	**41,011,235**	45,725,281
Staff benefits	**1,151,491**	1,165,583
Contributions to retirement benefits scheme *(Note)*	**2,787,540**	1,406,338
	44,950,266	48,297,202

13. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS) (Cont'd)

Note: Due to the impact of COVID-19, a number of policies including the relief of social insurance have been promulgated by the PRC government from February 2020 to December 2020 to expedite resumption of economic activities, which resulted in the relief of certain contributions to retirement benefit scheme contributions during the year ended 31 March 2021.

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

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

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

		Other emoluments		
	Fees	Salaries and allowances	Contributions to retirement benefits scheme	Total
2022				
Executive directors				
Chua Nai Tuen	**60,000**	**4,048,680**	**–**	**4,108,680**
Nelson Junior Chua	**30,000**	**1,052,917**	**36,000**	**1,118,917**
Non-executive directors				
Chan Man Hon, Eric	**60,000**	**–**	**–**	**60,000**
Jimmy Siy Tiong	**30,000**	**–**	**–**	**30,000**
Tsai Han Yung	**40,000**	**–**	**–**	**40,000**
Vivian Chua	**30,000**	**513,458**	**18,000**	**561,458**
Independent non-executive directors				
Chan Siu Ting	**65,000**	**–**	**–**	**65,000**
James L. Kwok	**65,000**	**–**	**–**	**65,000**
Wong Shek Keung	**50,000**	**–**	**–**	**50,000**
Tsui Ka Wah	**55,000**	**–**	**–**	**55,000**
	485,000	**5,615,055**	**54,000**	**6,154,055**

14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

		Other emoluments		
	Fees	Salaries and allowances	Contributions to retirement benefits scheme	Total
2021				
Executive directors				
Chua Nai Tuen	60,000	4,735,621	–	4,795,621
Nelson Junior Chua	30,000	1,887,541	36,000	1,953,541
Non-executive directors				
Chan Man Hon, Eric	60,000	–	–	60,000
Jimmy Siy Tiong	30,000	–	–	30,000
Tsai Han Yung	40,000	–	–	40,000
Vivian Chua	30,000	507,000	18,000	555,000
Independent non-executive directors				
Chan Siu Ting	65,000	–	–	65,000
James L. Kwok	65,000	–	–	65,000
Wong Shek Keung	50,000	–	–	50,000
Tsui Ka Wah	55,000	–	–	55,000
	485,000	7,130,162	54,000	7,669,162

Notes:

Mr. Chua Nai Tuen is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

During the year ended 31 March 2022, the Group had provided a staff quarter to Mr. Chua Nai Tuen with rental expenses of HK$2,293,180 (2021: HK$2,315,780) which was included in salaries and allowances.

No emoluments were paid by the Group to any directors as an inducement to join or upon joining the Group or as compensation for loss of office during the year ended 31 March 2022 (2021: nil).

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

15. FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

The five individuals whose emoluments were the highest in the Group for the year included two (2021: two) directors whose emoluments are reflected in the analysis presented above. The aggregate emoluments payable to the remaining three (2021: three) individuals during the year are as follows:

	2022	2021
Salaries and allowances	**4,516,213**	5,009,343
Contributions to retirement benefits scheme	**78,896**	36,315
	4,595,109	5,045,658

The emoluments fell within the following bands:

	Number of employee	
	2022	2021
HK$2,000,001 – HK$2,500,000	**–**	1
HK$1,500,001 – HK$2,000,000	**2**	1
HK$1,000,001 – HK$1,500,000	**–**	1
Nil – HK$1,000,000	**1**	–

16. PROPERTY, PLANT AND EQUIPMENT

	Buildings						
	Located in Hong Kong	Located in the PRC	Construction in progress	Plant and machinery	Furniture, fixtures & equipment	Motor vehicles	Total
Cost							
At 1 April 2020	147,634,553	92,549,524	–	28,982,789	29,448,589	4,691,107	303,306,562
Additions	–	–	9,075,715	633,999	306,536	–	10,016,250
Disposal and written off	(37,274,907)	–	–	(1,567,682)	(702,409)	(253,809)	(39,798,807)
Exchange alignments	–	7,298,406	–	1,619,172	606,815	46,345	9,570,738
At 31 March 2021 and 1 April 2021	110,359,646	99,847,930	9,075,715	29,668,278	29,659,531	4,483,643	283,094,743
Additions	–	–	17,867,861	647,094	420,953	422,388	19,358,296
Disposal and written off	–	–	–	–	(326,075)	–	(326,075)
Exchange alignments	–	3,221,693	–	684,196	267,659	20,458	4,194,006
At 31 March 2022	**110,359,646**	**103,069,623**	**26,943,576**	**30,999,568**	**30,022,068**	**4,926,489**	**306,320,970**
Accumulated depreciation and impairment							
At 1 April 2020	59,300,375	42,924,758	–	19,000,043	18,771,077	2,815,713	142,811,966
Charge for the year	3,397,995	2,261,611	–	2,284,926	2,163,685	508,196	10,616,413
Disposal and written off	(26,080,885)	–	–	(1,567,682)	(333,743)	(253,809)	(28,236,119)
Exchange alignments	–	3,495,918	–	986,798	212,230	(14,986)	4,679,960
At 31 March 2021 and 1 April 2021	36,617,485	48,682,287	–	20,704,085	20,813,249	3,055,114	129,872,220
Charge for the year	3,075,061	2,406,091	–	2,057,632	2,042,496	460,958	10,042,238
Disposal and written off	–	–	–	–	(324,216)	–	(324,216)
Exchange alignments	–	1,613,750	–	446,635	122,501	(4,203)	2,178,683
At 31 March 2022	**39,692,546**	**52,702,128**	**–**	**23,208,352**	**22,654,030**	**3,511,869**	**141,768,925**
Carrying amounts							
At 31 March 2022	**70,667,100**	**50,367,495**	**26,943,576**	**7,791,216**	**7,368,038**	**1,414,620**	**164,552,045**
At 31 March 2021	73,742,161	51,165,643	9,075,715	8,964,193	8,846,282	1,428,529	153,222,523

The Group's buildings and construction in progress in Hong Kong with carrying amounts of HK$97,610,676 (2021: HK$82,817,876) have been pledged to secure general banking facilities granted to the Group (note 33).

17. RIGHT-OF-USE ASSETS

	Leasehold land and land use right	Building held under operating lease	Total
Balance at 1 April 2020	12,831,454	983,773	13,815,227
Lease modification	–	1,340,041	1,340,041
Depreciation for the year	(481,002)	(1,318,783)	(1,799,785)
Exchange alignments	925,711	–	925,711
Balance at 31 March 2021 and 1 April 2021	13,276,163	1,005,031	14,281,194
Lease modification	–	1,415,974	1,415,974
Depreciation for the year	(510,256)	(1,359,024)	(1,869,280)
Exchange alignments	394,345	–	394,345
At 31 March 2022	**13,160,252**	**1,061,981**	**14,222,233**

Leasehold land and land use right is located outside Hong Kong.

18. INVESTMENT PROPERTIES

At 1 April 2020	849,677,831
Additions – subsequent expenditures	3,145,142
Loss arising from change in fair value	(47,586,253)
At 31 March 2021 and at 1 April 2021	805,236,720
Additions – subsequent expenditures	**3,488,722**
Gain arising from change in fair value	**18,709,722**
At 31 March 2022	**827,435,164**

The Group's investment properties with carrying amounts of HK$352,860,380 (2021: HK$362,080,000) have been pledged to secure general banking facilities granted to the Group (note 33).

The Group's investment properties were revalued at 31 March 2022 by independent professional qualified valuers, K.T. Liu Surveyors Limited and Asset Appraisal Limited (2021: K.T. Liu Surveyors Limited and Asset Appraisal Limited) who have the recent experience in the location and category of property being valued.

18. INVESTMENT PROPERTIES (Cont'd)

Fair value measurement

The following table shows the Group's investment properties measured at fair value in the consolidated statement of financial position on a recurring basis, categorised into three levels of a fair value hierarchy. The levels are based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

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

	Level 1	Level 2	Level 3	Total
At 31 March 2022				
Fair value on a recurring basis				
– Commercial building located in Hong Kong	**–**	**–**	**685,260,380**	**685,260,380**
– Industrial building located in Hong Kong	**–**	**–**	**18,300,000**	**18,300,000**
– Open space located in Hong Kong	**–**	**–**	**108,800,000**	**108,800,000**
– Commercial building located outside Hong Kong	**–**	**–**	**4,729,344**	**4,729,344**
– Residential building located outside Hong Kong	**–**	**–**	**10,345,440**	**10,345,440**
	–	**–**	**827,435,164**	**827,435,164**
At 31 March 2021				
Fair value on a recurring basis				
– Commercial building located in Hong Kong	–	–	664,780,000	664,780,000
– Industrial building located in Hong Kong	–	–	17,300,000	17,300,000
– Open space located in Hong Kong	–	–	107,600,000	107,600,000
– Commercial building located outside Hong Kong	–	–	4,581,120	4,581,120
– Residential building located outside Hong Kong	–	–	10,975,600	10,975,600
	–	–	805,236,720	805,236,720

18. INVESTMENT PROPERTIES (Cont'd)

Fair value measurement (Cont'd)

The fair values of the Group's investment properties at 31 March 2022 and 2021 are catagorised under Level 3 fair value hierarchy. There were no transfers into or out of Level 3 during both years.

At the end of the reporting period, the management will (i) verify all major inputs to the independent valuation report; (ii) assess property valuation movements when compared to prior year valuation report; and (iii) discuss with the independent professional qualified valuers.

Fair value adjustment in investment properties is included in "Gain/(Loss) arising from change in fair value of investment properties" in the consolidated statement of profit or loss.

Set out below are information about the fair values of investment properties categorised under Level 3 fair value hierarchy:

	Valuation techniques	Significant unobservable input	Range
Investment properties located outside Hong Kong	Income approach *(note a)*	Rental value	2022: HK$410/sqm (2021: HK$594/sqm)
		Vacancy levels	2022: 10% (2021: 25%)
		Reversionary yield	2022: 6% (2021: 8%)
	Market comparison approach *(note b)*	Discount on characteristics of the property	2022: -6% (2021: -6%)
Investment properties located in Hong Kong	Income approach *(note a)*	Rental value	2022: HK$7,242 sq. ft and HK$198,000 sq. ft *(note c)* (2021: HK$8,160 sq. ft)
		Vacancy levels	2022: 0% (2021: 0%)
		Reversionary yield	2022: 2% to 2.5% *(note c)* (2021: 2.5%)
	Market comparison approach *(note b)*	Discount/Premium on characteristics of the property	2022: -6% to 20% (2021: -25% to 27%)

18. INVESTMENT PROPERTIES (Cont'd)

Fair value measurement (Cont'd)

Notes:

(a) The fair values of the investment properties are estimated using an income approach which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields implied by recent transactions in similar properties. When actual rent differs materially from the estimated rents, adjustments have been made to the estimated rental value. The estimated rental stream takes into account current occupancy level, estimates of future vacancy levels, the terms of in-place leases and expectations for rentals from future leases over the remaining economic life of the buildings.

The most significant inputs, all of which are unobservable, are the estimated rental value, assumptions about vacancy levels, and discount rate. The estimated fair value increases if the estimated rental increases, vacancy levels decline or if discount rate (market yields) decline. The overall valuations are sensitive to all three assumptions. Management considers the range of reasonably possible alternative assumptions is greatest for rental values and vacancy levels and that there is also an interrelationship between these inputs.

(b) The fair value of investment properties was carried out using a market comparison approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the properties, including plot size, location, encumbrances and current use.

The significant unobservable input is the premium/discount on quality of the buildings. The extent and direction of the premium/discount depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions. Generally, an increase in premium/discount on the quality of the buildings would result in a higher/lower fair value measurement.

(c) The valuation techniques have been changed from market comparison approach to income approach for a shop located in Hong Kong as the management of the Company considered that there were limited market comparables for similar properties that were appropriate to assess the fair value of the properties for the year ended 31 March 2022.

19. INTERESTS IN ASSOCIATES

	2022	2021
Cost of investments in associates	**6,664,312**	6,664,312
Amounts due from associates *(note a)*	**46,786,701**	41,593,213
Share of post-acquisition losses and other comprehensive expense, net of dividends received	**(12,929,947)**	(12,233,599)
Less: Impairment loss recognised on interests in associates *(note b)*	**(27,180,893)**	(21,601,036)
	13,340,173	14,422,890

Notes:

(a) The balances are unsecured, interest-free and have no fixed repayment terms.

(b) At 31 March 2022 and 2021, the directors assessed the recoverable amounts of the amounts due from associates by considering profitability, cash flow position, financial position, forecast business development and future prospects of the associates. Based on these assessments, the directors concluded that impairment loss of HK$5,579,857 (2021: HK$1,782,976) was recognised.

The following list contains only the particulars of associates, all of which are unlisted corporate entities whose quoted market prices are not available, which in the opinion of the directors principally affected the results or net assets of the Group as at 31 March 2022 and 2021.

Name of associates	Country/Place of incorporation/ operation	Issued and fully paid share capital	Proportion of ownership interest held by the Group 2022 %	2021 %	Principal activities
Wisestar Holdings Limited ("Wisestar") *(note)*	Hong Kong	HK$2	**47.7**	47.7	Dormant
Ongoing Investments Limited ("Ongoing Investments")	British Virgin Islands/PRC	US$100	**20**	20	Property investment
Sequin Developments Limited ("Sequin Developments")	British Virgin Islands/PRC	US$100	**20**	20	Property investment
Titan Dragon Properties Corporation ("Titan Dragon")	Philippines	Peso$80,000,000	**49**	49	Property investment

19. INTERESTS IN ASSOCIATES (Cont'd)

Note: Wisestar was wound up by Court order on 17 July 2019 and in progress of deregistration as at reporting date. The Group's interest in Wisestar was fully impaired in prior years.

All associates have a reporting date of 31 March.

The Group has not incurred any contingent liabilities or other commitments relating to its investments in associates.

Set out below are the summarised financial information of each of the material associate which are accounted for using the equity method:

(i) Ongoing Investments

	2022	2021
Current assets	**1,948,833**	789,140
Non-current assets	**43,481,273**	47,738,341
Current liabilities	**(10,408,142)**	(10,431,580)
Non-current liabilities	**(5,719,000)**	(6,784,000)
Net assets	**29,302,964**	31,311,901
Revenue	**2,282,030**	2,375,439
Total expenses	**(4,290,967)**	(10,980,058)
Loss and total comprehensive expense for the year	**(2,008,937)**	(8,604,619)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Ongoing Investments is set out below:

	2022	2021
Net assets of Ongoing Investments	**29,302,964**	31,311,901
Proportion of the Group's ownership interest in Ongoing Investments	**20%**	20%
Carrying amount of the Group's interest in Ongoing Investments	**5,860,593**	6,262,380

For the year ended 31 March 2022, Ongoing Investments did not declare any dividend (2021: nil).

19. INTERESTS IN ASSOCIATES (Cont'd)

(ii) Sequin Developments

	2022	2021
Current assets	**5,787,625**	5,660,259
Non-current assets	**42,361,247**	46,508,658
Current liabilities	**(5,171,966)**	(4,750,367)
Non-current liabilities	**(5,992,415)**	(8,961,255)
Net assets	**36,984,491**	38,457,295
Revenue	**2,751,292**	1,582,152
Total expenses	**(4,224,096)**	(9,965,642)
Loss and total comprehensive expense for the year	**(1,472,804)**	(8,383,490)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Sequin Developments is set out below:

	2022	2021
Net assets of Sequin Developments	**36,984,491**	38,457,295
Proportion of the Group's ownership interest in Sequin Developments	**20%**	20%
	7,396,898	7,691,459
Amount due from Sequin Developments	**82,682**	469,051
Carrying amount of the Group's interest in Sequin Developments	**7,479,580**	8,160,510

For the year ended 31 March 2022, Sequin Developments did not declare any dividend (2021: nil).

19. INTERESTS IN ASSOCIATES (Cont'd)

(iii) Titan Dragon

	2022	2021
Current assets	**2,700,598**	3,021,815
Non-current assets	**19,689,539**	9,344,110
Current liabilities	**(222,010)**	(122,780)
Non-current liabilities	**(139,278,833)**	(125,252,731)
Net liabilities	**(117,110,706)**	(113,009,586)
Revenue	**–**	–
Total expenses	**(3,994,243)**	(2,897,841)
Loss and total comprehensive expense for the year	**(3,994,243)**	(2,897,841)

Reconciliation of the above summarised financial information to the carrying amount of the interest in Titan Dragon is set out below:

	2022	2021
Net liabilities of Titan Dragon	**(117,110,706)**	(113,009,586)
Proportion of the Group's ownership interest in Titan Dragon	**49%**	49%
Carrying amount of the Group's interest in Titan Dragon	**–**	–

Unrecognised losses for the year ended 31 March 2022 was HK$1,957,179 (2021: HK$1,419,942) for Titan Dragon. The accumulated losses not recognised were HK$26,366,847 as at 31 March 2022 (2021: HK$24,409,668).

For the year ended 31 March 2022, Titan Dragon did not declare any dividend (2021: nil).

19. INTERESTS IN ASSOCIATES (Cont'd)

(iii) Titan Dragon (Cont'd)

Note: A piece of land located in the Philippines was acquired by Titan Dragon in 1989 and held for development purposes (the "Subject Property").

The Regional Trial Court ("RTC") made its decision on 21 October 2016 and its Writ of Execution on 24 April 2017 ruled in favour of a specific performance claim filed in 2015 by Ms. Veloso-Galenzoga ("Galenzoga"), who claimed that Titan Dragon had sold the Subject Property to her in 1997. Then Titan Dragon had filed Motion for Reconsideration to appeal. The Court of Appeals of the Philippines made its decision on 1 June 2018 and its Resolution on 26 February 2019 dismissing Titan Dragon's Petition for Certiorari and denying Titan Dragon's Motion for Reconsideration of said dismissal, respectively, and asserting that Titan Dragon utilised the wrong remedy of certiorari and should have filed a Petition for Annulment of Judgement. Titan Dragon's Petition for Certiorari sought the annulment of the proceedings in a Philippines civil court which ruled in favour of Galenzoga. Titan Dragon had filed for a review of the court's decision as well as made a criminal complaint in relation to Galenzoga's purported forgery of various documents to implement her fraudulent scheme to unlawfully take possession of the Subject Property. The Court of Appeals' Decision and Resolution were reached in spite of the fact that the advices of the Philippine lawyers of Titan Dragon were that the arguments raised by Titan Dragon had merits. Although Titan Dragon has filed its Petition for Review on Certiorari before the Supreme Court of the Philippines and, in the opinion of the Philippine lawyers of Titan Dragon, the arguments raised by Titan Dragon in its Petition for Review have merit and its position is strong, it is considered prudent that Titan Dragon should meanwhile fully impair the carrying amount of the Subject Property as it is difficult to predict how the Supreme Court will rule on the issues raised in the Petition for Review.

As a result, Titan Dragon had fully impaired the investment in the land and an impairment loss allowance of Peso$1,379,134,000 (equivalent to approximately HK$206,111,576) was recognised in the financial statements of Titan Dragon in 2019.

In 2022, the Supreme Court ruled that the decision dated 21 October 2016 of RTC and the Writ of Execution dated 24 April 2017 are null and void. Thus, the issuance of transfer certificate of title of the Subject Property under Galenzoga's name and her subsequent possession thereof which were made pursuant to the said issuances of the RTC are likewise null and void. Thus, title over the Subject Property and possession thereof must be reverted to the Company as if no proceeding was conducted before the RTC. Galenzoga has filed Motion for Reconsideration which is still pending for the Supreme Court resolution as at 31 March 2022.

The appeal proceeding is currently underway.

For the year ended 31 March 2022 (in HK Dollars)

20. INTANGIBLE ASSETS

	Hong Kong Stock Exchange trading rights	Hong Kong Futures Exchange trading rights	Membership of The Chinese Gold and Silver Exchange Society	Club membership	Total
Cost					
At 1 April 2020, 31 March 2021, 1 April 2021 and 31 March 2022	5,030,001	201,205	1,475,000	981,500	7,687,706
Accumulated impairment losses					
At 1 April 2020, 31 March 2021 and 1 April 2021	(2,810,000)	–	(1,175,000)	–	(3,985,000)
Provision for impairment	–	(201,205)	–	–	(201,205)
At 31 March 2022	(2,810,000)	(201,205)	(1,175,000)	–	(4,186,205)
Carrying amounts					
At 31 March 2022	**2,220,001**	**–**	**300,000**	**981,500**	**3,501,501**
At 31 March 2021	2,220,001	201,205	300,000	981,500	3,702,706

20. INTANGIBLE ASSETS (Cont'd)

The Group classified the above intangible assets with indefinite useful lives in accordance with HKAS 38 Intangible Assets. In the opinion of the directors, the above intangible assets except club membership are capable of being renewed indefinitely at insignificant cost and therefore are perpetual in duration, and based on future financial performance of the Group, they are expected to generate positive cash flows indefinitely. The club membership is assessed to have indefinite useful lives. Under HKAS 38, the Group reassesses the useful lives of the intangible assets at the end of the reporting period to determine whether events or circumstances continue to support the view of the indefinite useful life of the asset.

The Group performed impairment test for the intangible assets by comparing its recoverable amounts to their carrying amounts at the end of the reporting period in accordance with HKAS 36 Impairment of Assets.

The recoverable amounts of Hong Kong Stock Exchange trading rights and Hong Kong Futures Exchange trading rights are determined based on a value in use calculation using cash flow projections based on financial budgets approved by management covering a five-year period with a growth rate of 4.0% and -10.0% (2021: 5.0% and -5.0%) per annum respectively. The pre-tax discount rate applied to the cash flow projections was 15.0% (2021: 15.0%). A key assumption for the value in use calculation is the budgeted growth rate, which is determined based on past performance and management's expectations for the market development in Hong Kong. An impairment loss of HK$201,205 (2021: nil) was recognised as the recoverable amount of Hong Kong Futures Exchange trading rights was nil as at 31 March 2022.

The recoverable amounts of Membership of The Chinese Gold and Silver Exchange Society and club membership are their fair values with reference to observable market price for the intangible assets. No impairment is made for both years as the recoverable amounts exceeded the carrying amounts.

For the year ended 31 March 2022 (in HK Dollars)

21. OTHER ASSETS

	2022	2021
Contribution to the compensation fund with the Stock Exchange	**1,500,000**	1,500,000
Statutory deposits with Hong Kong Securities Clearing Company Limited	**600,000**	600,000
Admission fee & guarantee fund to Hong Kong Securities Clearing Company Limited	**600,000**	862,454
	2,700,000	2,962,454

22. FINANCIAL ASSETS AT FVOCI (NON-RECYCLING)

	2022	2021
Unlisted private equity fund	**66,236,002**	15,000,000
Unlisted equity investments in a private company	**6,896,552**	–
	73,132,554	15,000,000

The Group designated its 9.45% equity interest in a private equity fund, Greater Bay Fund I LP ("Greater Bay Fund") and 9.16% equity interest in a private company, Dongguan Hanju Shiye Investment Company Limited ("Dongguan Hanju") as financial assets at FVOCI (non-recycling), as these investments are held for the strategic purpose. The Greater Bay Fund and Dongguan Hanju jointly owned a company established in the PRC which is principally engaged in property investment in the PRC. Please refer to the announcements dated 7 and 16 September 2021 published by the Company for further details.

The fair value of the Group's unlisted equity investments has been measured as described in note 47.7.

23. LOAN RECEIVABLES

	2022	2021
Loans to an independent borrower *(note a)*	**5,107,516**	–
Loans to a staff *(note b)*	**4,551,560**	–
Loans to a private company *(note c)*	**32,224,009**	–
	41,883,085	–

Notes:

(a) The balance represents loans to an independent borrower which bear fixed interest rate at 10% per annum, repayable on the respective maturity dates in 2026 and the balance of HK$4,462,471 was secured by a borrower's property in Hong Kong.

(b) The balance represents loans to a staff which bear fixed interest rate at 10% per annum, repayable on the respective maturity dates in 2026 and the balance of HK$3,978,350 was secured by a staff's property in Hong Kong.

(c) The balance represents shareholder loans with principal amount of RMB29,400,000 (equivalent to HK$36,207,000) to a private company, Dongguan Hanju (note 22) which are unsecured, interest-free and not repayable within the next 12 months from the end of the reporting period.

The management closely monitors the credit quality of the loan receivables and there are no indications that the loan receivables neither past due nor impaired will be uncollectible.

24. INVENTORIES

	2022	2021
Raw materials	**41,387,283**	31,240,953
Work-in-progress	**4,617,200**	4,027,142
Finished goods	**14,639,480**	13,661,778
	60,643,963	48,929,873

25. TRADE AND OTHER RECEIVABLES

The Group's trade receivables arose from (i) property investment, development and leasing, (ii) manufacturing and distribution of plastic packaging materials, and (iii) broking and securities margin financing.

	2022	2021
Trade receivables from broking and securities margin financing:		
– Clearing house and cash clients	**19,380,042**	8,853,275
– Secured margin clients	**97,211,651**	84,421,554
Less: ECL allowance	**(301,404)**	(31,149)
	116,290,289	93,243,680
Trade receivables from sales of goods and leasing	**37,910,827**	25,541,918
Less: ECL allowance	**(1,975,431)**	(497,385)
	35,935,396	25,044,533
Other receivables	**2,544,066**	1,945,253
Less: ECL allowance	**–**	–
	2,544,066	1,945,253
	154,769,751	120,233,466

The directors of the Group consider that the fair values of trade and other receivables are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

The Group allows a credit period up to the respective settlement dates for securities transactions (normally two business days after the respective trade date for cash clients). Each secured margin client has a credit limit.

At 31 March 2022, trade receivables from cash clients and secured margin clients of HK$6,079,234 (2021: HK$1,801,648) were due from the key management personnel.

Trade receivables of manufacturing and distribution of plastic packaging materials fall into the general credit term ranged from 0–90 days except for a credit period mutually agreed between the Group and the customers.

25. TRADE AND OTHER RECEIVABLES (Cont'd)

Aging analysis

The following is an aging analysis of trade receivables of the Group arose from sales of goods and leasing, presented based on the invoice date, which approximates the respective revenue recognition dates and net of ECL allowance:

	2022	2021
0–30 days	**20,220,121**	11,750,838
31–60 days	**3,850,182**	4,501,644
61–90 days	**4,965,430**	5,712,353
91–120 days	**4,454,483**	2,007,958
121–365 days	**2,320,914**	1,031,983
Over 365 days	**124,266**	39,757
	35,935,396	25,044,533

Margin loans due from margin clients are repayable on demand. Margin loans are required to be secured by clients' listed securities held by the Group as collateral and bear interest at 8.5% (2021: 8.5%) per annum for the year ended 31 March 2022. The amount of credit facilities granted to margin clients is determined by the discounted market value of the collateral securities accepted by the Group. At 31 March 2022, the total market value of securities pledged as collateral by the customers in respect of the loans to margin clients was HK$196,129,716 (2021: HK$192,255,409).

No aging analysis of receivables from cash clients and loans to margin clients is disclosed as in the opinion of the directors, the aging analysis does not give additional value in view of the nature of business.

25. TRADE AND OTHER RECEIVABLES (Cont'd)

Movement in ECL allowance of trade receivables

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

	2022	2021
At 1 April	**(528,534)**	(3,086,202)
ECL allowance recognised during the year	**(1,748,301)**	–
ECL allowance reversed during the year	**–**	2,557,668
At 31 March	**(2,276,835)**	(528,534)

26. DEPOSITS AND PREPAYMENTS

	2022	2021
Refundable investment deposit *(note)*	**–**	17,895,490
Utility and other deposits	**1,989,171**	1,822,040
Purchase deposits to suppliers	**919,570**	1,135,227
Prepayments	**1,955,626**	2,605,067
Stamp duty deposits to the Stock Exchange	**250,000**	250,000
	5,114,367	23,707,824
Less: non-current portion		
Refundable investment deposit	**–**	(17,895,490)
Current portion	**5,114,367**	5,812,334

Note: Investment deposits were paid for potential investments in the PRC. The investment deposit paid as at 31 March 2021 was transferred to financial assets at FVOCI (note 22) and loans to a private company (note 23) during the year ended 31 March 2022.

27. RESTRICTED CASH

	2022	2021
Restricted deposits held at banks	**4,100,000**	4,100,000

The effective interest rates on bank deposits ranged from 0.01% p.a. to 0.14% p.a. (2021: 0.14% p.a. to 0.55% p.a.) and mature within 181 days (2021: 181 days).

The directors of the Group considered that the fair value of the short-term bank deposits is not materially different from their carrying amount because of the short maturity period on their inception.

At 31 March 2022 and 2021, restricted cash have been pledged to secure general banking facilities granted to the Group (note 33).

28. FINANCIAL ASSETS AT FVTPL

	2022	2021
Equity securities listed in Hong Kong	**34,600,000**	22,502,500

The fair value of the Group's investments in listed securities are determined with reference to quoted market closing prices.

At 31 March 2022, equity securities listed in Hong Kong with carrying amounts of HK$34,600,000 (2021: HK$16,442,500) have been pledged to secure general banking facilities granted to the Group (note 33).

29. TRUST ACCOUNTS OF SHARES DEALING CLIENTS

	2022	2021
Trust accounts	**88,603,357**	91,918,726

From the Group's ordinary business of securities and futures dealing, it receives and holds money for clients and other institutions in the course of conducting its regulated activities. These client's monies are maintained in one or more trust accounts. The Group has recognised the corresponding trade payables to respective clients and other institutions.

Trust accounts earn interests at floating rates based on daily bank deposit rates and are placed with creditworthy banks with no recent history of default.

30. CASH AND CASH EQUIVALENTS

	2022	2021
Cash at bank and in hand	**83,536,258**	159,575,769

Included in cash at bank and in hand of the Group is HK$15,688,333 (2021: HK$33,477,551) of bank balances denominated in RMB placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

31. TRADE AND OTHER PAYABLES

The Group's trade payables arose from (i) hotel operation, (ii) manufacturing and distribution of plastic packaging materials, and (iii) broking and securities margin financing.

	2022	2021
Trade payables to:		
– Clearing house and cash clients	**79,119,457**	87,390,567
– Secured margin clients	**18,120,061**	14,394,416
– Other creditors	**17,379,069**	9,807,823
	114,618,587	111,592,806
Accrued salaries	**8,037,576**	7,768,866
Accrued employee benefits	**4,195,990**	2,338,174
Accrued development expenditure of properties	**5,502,720**	–
Other accrued expenses	**9,621,585**	9,243,514
Rental deposits received	**2,447,784**	2,830,025
Advanced payment received from tenants	**582,629**	608,887
	30,388,284	22,789,466
	145,006,871	134,382,272

Trade payables to other creditors represents trade payables in respect of purchases of materials and supplies.

The credit period granted by other creditors is generally within 30 days. The following is an aging analysis of trade payables to other creditors based on invoice dates:

	2022	2021
0–30 days	**16,208,524**	8,167,881
31–60 days	**595,159**	1,055,470
61–90 days	**–**	–
91–120 days	**–**	–
121–365 days	**9,666**	–
Over 365 days	**565,720**	584,472
	17,379,069	9,807,823

All amounts are short term and hence the carrying values of the Group's trade and other payables are considered to be a reasonable approximation of fair value.

32. CONTRACT LIABILITIES

	2022	2021
Deposit received from customers for sales of plastic packaging materials	**1,228,797**	1,421,221

When the Group receives a deposit before the control of the plastic packaging materials are passed to the customers, this will give rise to contract liabilities until the control of the plastic packaging materials are passed to the customers and revenue of the respective contracts are recognised.

The significant decrease of contract liabilities as at 31 March 2022 is mainly due to the decrease in the deposits received as a result of lesser manufacturing orders of plastic packaging materials during the year. The significant decrease of contract liabilities as at 31 March 2021 is mainly due to the decrease in the deposits received as a result of lesser manufacturing orders of plastic packaging materials during the year and temporary suspension of hotel operation business in Hong Kong from 1 June 2020 for alteration and addition works.

Contract liabilities outstanding at the beginning of the year amounting to HK$1,421,221 (2021: HK$1,865,167) has been recognised as revenue during the year.

33. BANK LOANS

	2022	2021
Secured bank loans	**337,169,106**	275,149,033

33. BANK LOANS (Cont'd)

At 31 March 2022 and 2021, the Group's bank loans were repayable as follows:

	2022	2021
Carrying amounts repayable *(note)*		
Within one year	**319,779,062**	88,208,735
In the second year	**–**	168,279,061
	319,779,062	256,487,796
Carrying amount of bank loans that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	**17,390,044**	18,661,237
	337,169,106	275,149,033
Less: Amounts shown under current liabilities	**(337,169,106)**	(106,869,971)
Amounts shown under non-current liabilities	**–**	168,279,062

Note: The amounts are based on the scheduled repayment dates set out in the loan agreements.

Bank loans bear interest at rates ranging from 1.37% to 1.82% (2021: 1.44% to 4.21%) per annum.

The bank loans were secured by guarantees provided by the Group's subsidiaries and the Group's assets as follows:

	Notes	**2022**	2021
Property, plant and equipment	16	**97,610,676**	82,817,876
Investment properties	18	**352,860,380**	362,080,000
Restricted cash	27	**4,100,000**	4,100,000
Financial assets at FVTPL	28	**34,600,000**	16,442,500
		489,171,056	465,440,376

34. LEASE LIABILITIES

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

	2022	2021
Total minimum lease payments:		
Due within one year	**1,073,250**	1,012,500
Future finance charges on lease liabilities	**(10,258)**	(6,796)
Present value of lease liabilities	**1,062,992**	1,005,704
Present value of minimum lease payments:		
Due within one year	**1,062,992**	1,005,704
Less: Portion due within one year included under current liabilities	**(1,062,992)**	(1,005,704)
Portion due after one year included under non-current liabilities	**–**	–

As at 31 March 2022 and 2021, lease liabilities are effectively secured by the related underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group.

During the year ended 31 March 2022, the total cash outflows to a related company, Sonliet Realty Company Limited, a company controlled by a director of the Company, Mr. Chua Nai Tuen for the leases are HK$1,370,250 (2021: HK$1,350,000).

As at 31 March 2022 and 2021, the Group has entered into lease for warehouse.

Types of right-of-use assets	**Financial statements items of right-of-use assets included in**	**Number of lease**	**Range of remaining lease term**	**Particulars**
Warehouse	Buildings in "Right-of-use assets"	1 (2021: 1)	1 year (2021: 1 year)	Only subject to monthly fixed rental payment

35. AMOUNT DUE TO AN ASSOCIATE

The amount due to an associate is unsecured, interest-free and repayable on demand.

36. AMOUNT DUE TO A NON-CONTROLLING INTEREST ("NCI")

The amount due to a non-controlling interest is unsecured, interest-free and not repayable within the next 12 months from the end of the reporting period.

37. DEFERRED TAX

The movement during the year in the deferred tax (assets)/liabilities is as follows:

	2022	2021
At 1 April	**10,519,054**	8,660,382
Recognised in profit or loss *(Note 9)*	**(113,673)**	1,858,672
At 31 March	**10,405,381**	10,519,054

The movement in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

Deferred tax assets

	Tax depreciation	Tax loss	Allowance for credit loss	Total
At 1 April 2020	34,545	2,002,303	447,236	2,484,084
(Charge)/Credit to profit or loss	(3,770)	598,168	(406,700)	187,698
At 31 March 2021	30,775	2,600,471	40,536	2,671,782
(Charge)/Credit to profit or loss	**(3,331)**	**442,269**	**279,021**	**717,959**
At 31 March 2022	**27,444**	**3,042,740**	**319,557**	**3,389,741**

For the year ended 31 March 2022 (in HK Dollars)

37. DEFERRED TAX (Cont'd)

Deferred tax liabilities

	Tax depreciation	Revaluation of investment properties	Others	Total
At 1 April 2020	8,876,361	1,994,317	273,788	11,144,466
Charge to profit or loss	699,147	1,347,223	–	2,046,370
At 31 March 2021	9,575,508	3,341,540	273,788	13,190,836
Charge/(Credit) to profit or loss	**724,770**	**(120,484)**	**–**	**604,286**
At 31 March 2022	**10,300,278**	**3,221,056**	**273,788**	**13,795,122**

The amounts recognised in the consolidated statement of financial position are as follows:

	2022	2021
Deferred tax assets	**(3,389,741)**	(2,671,782)
Deferred tax liabilities	**13,795,122**	13,190,836
	10,405,381	10,519,054

The Group has unrecognised tax losses arising in Hong Kong and the PRC of HK$17,041,880 (2021: HK$19,198,094) and HK$4,297,081 (2021: HK$3,565,112) respectively to carry forward against future taxable income. These tax losses do not expire under current legislation except for the tax losses arising in the PRC that will be expired in one to five years for offsetting against future taxable profits.

38. SHARE CAPITAL

	2022 Number of shares	**2022** HK$	2021 Number of shares	2021 HK$
Issued and fully paid				
At the beginning and at the end of the year	**225,420,034**	**245,062,941**	225,420,034	245,062,941

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2022	2021
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	**29,383**	152,843
Investment property	**4,729,344**	4,581,120
Interests in subsidiaries	**60,123,777**	56,016,384
Interest in an associate	**–**	–
Loan receivables	**5,107,516**	–
	69,990,020	60,750,347
Current assets		
Trade and other receivables	**991,440**	594,518
Deposits and prepayments	**470,367**	474,613
Amounts due from subsidiaries	**734,703,187**	721,652,770
Cash and cash equivalents	**3,412,250**	1,417,885
	739,577,244	724,139,786
Current liabilities		
Trade and other payables	**2,226,015**	2,313,225
Amounts due to subsidiaries	**268,056,289**	232,558,464
Amount due to an associate	**1,490,170**	666,695
	271,772,474	235,538,384
Net current assets	**467,804,770**	488,601,402
Net assets	**537,794,790**	549,351,749
EQUITY		
Share capital	**245,062,941**	245,062,941
Retained profits *(Note)*	**292,731,849**	304,288,808
Total equity	**537,794,790**	549,351,749

Chua Nai Tuen
Director

Nelson Junior Chua
Director

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

Note:

At 1 April 2020	307,133,922
Profit and total comprehensive income for the year	3,917,487
Dividends paid *(note 11)*	(6,762,601)
At 31 March 2021 and at 1 April 2021	304,288,808
Loss and total comprehensive expenses for the year	**(4,794,358)**
Dividends paid *(note 11)*	**(6,762,601)**
At 31 March 2022	**292,731,849**

40. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH (USED IN)/ GENERATED FROM OPERATIONS

	2022	2021
Profit before income tax	**30,946,894**	17,322,579
Adjustments for:		
(Gain)/Loss arising from change in fair value of investment properties	**(18,709,722)**	47,586,253
Gain arising from financial assets at FVTPL	**(4,529,966)**	(1,034,431)
Share of results of associates	**696,348**	3,397,622
Dividend income from listed equity securities	**(1,661,187)**	(581,943)
Bad debt recovered	**(48,000)**	(92,450)
Bad debt written off	**–**	146,281
Write-off of property, plant and equipment	**1,859**	11,194,022
Interest income	**(1,182,895)**	(1,442,425)
Finance costs	**9,016,277**	7,292,699
Impairment loss recognised in respect of amount due from an associate	**5,579,857**	1,782,976
Impairment loss recognised in respect of intangible assets	**201,205**	–
Provision for ECL allowance of trade and other receivables	**1,734,448**	–
Reversal of ECL allowance of trade and other receivables	**–**	(2,581,571)
Depreciation of property, plant and equipment	**10,042,238**	10,616,413
Depreciation of right-of-use assets	**1,869,280**	1,799,785
Loss on disposal of property, plant and equipment	**–**	355,325
Gain on deregistration of a subsidiary	**(603,630)**	–
Gain on disposal of subsidiaries	**–**	(53,407,082)
Operating cash flows before changes in working capital	**33,353,006**	42,354,053
Decrease/(Increase) in other assets	**262,454**	(262,454)
Increase in inventories	**(10,564,086)**	(3,578,136)
Increase in trade and other receivables	**(36,146,102)**	(16,349,077)
Increase in financial assets at FVTPL	**(7,567,534)**	(15,402,069)
Decrease in deposits and prepayments	**717,591**	1,002,773
Increase in stock of property	**–**	(2,592,918)
Decrease/(Increase) in trust accounts of shares dealing clients	**3,315,369**	(16,091,365)
Increase in trade and other payables	**1,279,007**	20,827,208
Decrease in contract liabilities	**(192,424)**	(443,945)
Cash (used in)/generated from operations	**(15,542,719)**	9,464,070

41. LEASE COMMITMENTS

As lessor

At 31 March 2022 and 2021, the Group had future aggregate minimum lease receipts under non-cancellable operating leases in respect of land and buildings as follows:

	2022	2021
Within one year	**6,376,321**	7,148,349
After 1 year but within 2 years	**1,113,096**	1,424,634
After 2 year but within 3 years	**–**	63,200
	7,489,417	8,636,183

The Group leases its investment properties (note 18) under operating lease arrangements which run for an initial period of one month to three years (2021: one month to three years), with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the respective tenants. The terms of the leases generally also require the tenants to pay security deposits.

42. CAPITAL COMMITMENTS

	2022	2021
Contracted but not provided for:		
– Property, plant and equipment	**159,482**	459,813
– Development expenditure of properties	**23,578,883**	11,655,037
	23,738,365	12,114,850

43. DISPOSAL OF SUBSIDIARIES

On 25 January 2021, the Group disposed its entire interest in a direct wholly-owned subsidiary, Nan Sing Investment Limited ("NSI"), together with a wholly-owned subsidiary of NSI, Nan Sing Realty Company Limited to an independent third party at a cash consideration of HK$179,825,621, which was settled in January 2021.

Analysis of assets and liabilities over which control was lost:	
Stock of property	**126,592,918**
Deposits and prepayments	**48,118**
Other payables	**(6,499)**
Amounts due to the companies of the Group	**(103,218,010)**
Tax payables	**(215,998)**
Net assets disposed of	**23,200,529**
Gain on disposal of subsidiaries:	
Consideration received	**179,825,621**
Amounts due to the companies of the Group	**(103,218,010)**
Net assets disposed of	**(23,200,529)**
Gain on disposal	**53,407,082**
Net cash inflow on disposal of subsidiaries:	
Consideration received in cash and cash equivalents	**179,825,621**
Less: cash and cash equivalents disposed of	**–**
	179,825,621

44. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transactions with related parties at normal commercial terms:

	2022	2021
Income received from key management personnel		
– Brokerage commission income	**138,381**	186,961
– Interest income received	**330,644**	329,309
Income received from associates		
– Accounting fee	**210,000**	–
Expenses paid to a related company		
– Consultation fee	**1,113,375**	1,771,941
Key management remuneration (including directors' remuneration)		
– Salaries and allowances	**11,622,721**	14,201,538
– Retirement benefit scheme contributions	**132,896**	150,135

45. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 March 2022, the Group extended an existing lease contract in which modifications to right-of-use asset and lease liability amounting to HK$1,415,975 (2021: HK$1,340,041) was recognised at the lease commencement date.

During the year ended 31 March 2021, additions to financial asset at FVOCI (non-recycling) of HK$15,000,000 was settled by deposits paid during the year ended 31 March 2020.

46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Dividend payable	Interest payable	Other finance costs payable	Lease liabilities	Bank loans	Amount due to a NCI	Amount due to an associate	Total
At 1 April 2020	–	399,595	–	998,220	359,094,466	3,110,000	1,018,497	364,620,778
Non-cash:								
– Finance costs *(note 8)*	–	6,897,387	377,869	17,443	–	–	–	7,292,699
– 2020 final dividends paid *(note 11)*	6,762,601	–	–	–	–	–	–	6,762,601
– Lease modification	–	–	–	1,340,041	–	–	–	1,340,041
Cash flows:								
– Inflow from financing activities	–	–	–	–	1,554,500,000	60,000	–	1,554,560,000
– Outflow from financing activities	(6,762,601)	(6,938,444)	(377,869)	(1,350,000)	(1,638,445,433)	–	(351,802)	(1,654,226,149)
At 31 March 2021 and at 1 April 2021	–	358,538	–	1,005,704	275,149,033	3,170,000	666,695	280,349,970
Non-cash:								
– Finance costs *(note 8)*	**-**	**4,714,577**	**307,248**	**11,564**	**-**	**-**	**-**	**5,033,389**
– 2021 final dividends paid *(note 11)*	**6,762,601**	**-**	**-**	**-**	**-**	**-**	**-**	**6,762,601**
– Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**1,393,000**	**1,393,000**
– Lease modification	**-**	**-**	**-**	**1,415,974**	**-**	**-**	**-**	**1,415,974**
Cash flows:								
– Inflow from financing activities	**-**	**-**	**-**	**-**	**1,742,000,000**	**100,000**	**823,475**	**1,742,923,475**
– Outflow from financing activities	**(6,762,601)**	**(4,680,413)**	**(307,248)**	**(1,370,250)**	**(1,679,979,927)**	**-**	**(1,393,000)**	**(1,694,493,439)**
At 31 March 2022	**-**	**392,702**	**-**	**1,062,992**	**337,169,106**	**3,270,000**	**1,490,170**	**343,384,970**

47. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

47.1 Categories of financial instruments

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

	2022	2021
Financial assets		
Financial assets at FVTPL	**34,600,000**	22,502,500
Financial assets at FVOCI (non-recycling)	**73,132,554**	15,000,000
Financial assets at amortised cost		
Other assets	**2,700,000**	2,962,454
Trade and other receivables	**154,769,751**	120,233,466
Loan receivables	**41,883,085**	–
Deposits	**3,158,741**	21,102,757
Restricted cash	**4,100,000**	4,100,000
Trust accounts of shares dealing clients	**88,603,357**	91,918,726
Cash and cash equivalents	**83,536,258**	159,575,769
	486,483,746	437,395,672
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**144,424,242**	133,773,385
Bank loans	**337,169,106**	275,149,033
Amount due to an associate	**1,490,170**	666,695
Lease liabilities	**1,062,992**	1,005,704
Amounts due to a NCI	**3,270,000**	3,170,000
	487,416,510	413,764,817

47. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

47.2 Foreign currency risk

The Group operates in Hong Kong and PRC and majority of transactions are denominated in HK$, United States dollar ("US$") and Renminbi ("RMB"). Foreign exchange risk arises from commercial transactions, recognised assets and liabilities, which are denominated in a currency that is not the functional currency of the Group entities.

The Group currently does not have a foreign currency hedge policy. In order to mitigate the foreign currency risk, management closely monitors such risks and will consider hedging significant foreign currency exposure should the need arise.

The Group is not exposed to significant foreign exchange risk in respect of HK$ against the US$ as long as this currency is pegged.

47.3 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk related primarily to variable rate bank loans, fixed rate loan receivables and lease liabilities. The Group currently does not have an interest rate hedging policy. However, the directors monitor interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2021: 25 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of a reasonably possible change in interest rates.

If interest rates had been 50 basis points (2021: 25 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 March 2022 would decrease/increase by HK$1,407,681 (2021: post-tax profit for the year ended 31 March 2021 would decrease/increase by HK$574,374). This is mainly attributable to the Group's interest rates on its variable rate bank loans.

47. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

47.4 Equity price risk

The Group is exposed to equity price risk arising from equity investments classified as financial assets at FVTPL which are measured at fair value at the end of the reporting period. The directors manage the exposure by maintaining a portfolio of securities with different risk class and monitor the performance regularly. In addition, the directors will monitor the price risk and consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below presents the effects on the Group's post-tax profit for the year and equity as a result of a change in equity price, assuming the change had occurred at the end of the reporting period and had been applied to the exposure to the equity price for the relevant financial instruments in existence at that date. The changes in equity price represent management's assessment of a reasonably possible change in equity price at that date over the period until the next annual reporting date.

	Increase/(Decrease) in post-tax profit		Increase/(Decrease) in equity	
	2022	2021	**2022**	2021
10% increase in market price	**2,889,100**	1,878,959	**2,889,100**	1,878,959
10% decrease in market price	**(2,889,100)**	(1,878,959)	**(2,889,100)**	(1,878,959)

47.5 Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, other assets, deposits, loan receivables, restricted cash, trust accounts of shares dealing clients and cash and cash equivalents. The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

47. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

47.5 Credit risk (Cont'd)

Trade receivables

In respect of amounts due from cash and margin clients, individual credit evaluations are performed on all clients (including cash and margin clients). Cash clients are required to place deposits as prescribed in the Group's credit policy before execution of any purchase transactions. Receivables due from cash clients are due within the settlement period commonly adopted in the relevant market practices, which is usually within a few days from the trade date. Because of the prescribed deposit requirements and the short settlement period involved, credit risk arising from the amounts due from cash clients is considered relatively low. The Group normally obtains liquid securities and/or cash deposits as collateral for providing margin financing to its clients. Margin loans due from margin clients are repayable on demand. Market conditions and adequacy of securities collateral and margin deposits of each margin account and futures account are monitored by management on a daily basis. Margin calls and forced liquidation are made where necessary.

Trade receivables of the Group from other customers consist of a large number of customers, spread across diverse industries and geographical areas.

The Group's policy to manage credit risk is to deal only with credit worthy counterparties. In order to minimise the credit risk, management of the Group has formulated a credit policy and, delegated a team responsible for determination of credit limits credit approvals and other monitoring procedures to ensure that follow-up action is taken.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and consider information specific to the customer as well as pertaining to the economic environment in which the customer operates. The Group does not obtain collateral from customers other than amounts due from margin clients.

Except for trade receivables with the amounts of HK$116,900,307 (2021: HK$93,519,962) are assessed individually, the Group performed impairment assessment for trade receivables equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

47. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

47.5 Credit risk (Cont'd)

Trade receivables (Cont'd)

Measurement of ECL on collective basis

The following table provides information about the Group's exposure to credit risk for trade receivables from sales of goods which are assessed based on provision matrix at 31 March 2022 and 2021:

	Average expected loss rate	Gross carrying amounts	Loss allowance
2022			
Neither yet past due nor impaired	**1.20%**	**19,058,319**	**229,266**
1–30 days past due	**2.08%**	**7,273,344**	**151,144**
31–60 days past due	**5.65%**	**4,325,482**	**244,576**
61–90 days past due	**3.09%**	**4,078,905**	**126,021**
91–120 days past due	**30.22%**	**493,499**	**149,140**
Over 120 days past due	**44.35%**	**2,372,664**	**1,052,229**
		37,602,213	**1,952,376**
2021			
Neither yet past due nor impaired	0.36%	11,685,646	42,289
1–30 days past due	0.34%	4,443,985	15,253
31–60 days past due	0.91%	5,764,530	52,443
61–90 days past due	1.39%	2,034,532	28,202
91–120 days past due	7.12%	1,111,090	79,141
Over 120 days past due	100.00%	257,002	257,002
		25,296,785	474,330

47. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

47.5 Credit risk (Cont'd)

Trade receivables (Cont'd)

Measurement of ECL on collective basis (Cont'd)

Average expected loss rates are based on actual loss experience over past three years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

In applying the forward-looking information, the Group has taken into account the possible impacts associated with the overall change in the economic environment arising from COVID-19.

Measurement of ECL on individual basis

At 31 March 2022, trade receivables with the amounts of HK$116,900,307 (2021: HK$93,519,962) in relation to property investment, development and leasing and broking and securities margin financing operation were performed impairment assessment on individual basis. The following table presents the balances of gross carrying amounts and the loss allowance in respect of the individually assessed trade receivables at 31 March 2022 and 2021:

	Gross carrying amounts	Loss allowance
2022		
Property investment, development and leasing	**308,614**	**23,055**
Broking and securities margin financing operations	**116,591,693**	**301,404**
	116,900,307	**324,459**

47. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

47.5 Credit risk (Cont'd)

Trade receivables (Cont'd)

Measurement of ECL on individual basis (Cont'd)

	Gross carrying amounts	Loss allowance
2021		
Property investment, development and leasing	245,133	23,055
Broking and securities margin financing operations	93,274,829	31,149
	93,519,962	54,204

Other financial assets at amortised cost

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

The management is of opinion that there is no significant increase in credit risk on other receivables, loan receivables, deposits and other assets since initial recognition as the risk of default is low after considering the factors as set out in note 2.9 and, thus, ECL recognised is based on 12-month ECL.

The Group deposited its restricted cash, trust accounts of shares dealing clients and cash and cash equivalents with approved and reputable banks. Bankruptcy or insolvency of the banks may cause the Group's right with respect to restricted cash, trust accounts of shares dealing clients and cash and cash equivalents held to be delayed or limited. The directors monitor the credit rating of these banks on an ongoing basis, and consider that the Group's exposure to credit risk were minimal.

The Group do not have any other significant concentrations of credit risk.

47. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

47.6 Liquidity risk

The Group is exposed to liquidity risk on financial liabilities. The directors adopt a prudent policy to maintain a sufficient level of cash and cash equivalents and financial assets to meet continuous operational need. Various banking facilities and credit lines have also been arranged with different banks in order to fund any liquidity requirements in the short term.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and the earliest period in which the Group is committed to pay.

	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Over 5 years	Total contractual undiscounted cash flow	Carrying amount
2022						
Non-derivative financial liabilities						
Trade and other payables	**144,424,242**	**–**	**–**	**–**	**144,424,242**	**144,424,242**
Bank loans *(Note)*	**339,182,542**	**–**	**–**	**–**	**339,182,542**	**337,169,106**
Amount due to an associate	**1,490,170**	**–**	**–**	**–**	**1,490,170**	**1,490,170**
Lease liabilities	**1,073,250**	**–**	**–**	**–**	**1,073,250**	**1,062,992**
Amounts due to a NCI	**3,270,000**	**–**	**–**	**–**	**3,270,000**	**3,270,000**
	489,440,204	**–**	**–**	**–**	**489,440,204**	**487,416,510**
2021						
Non-derivative financial liabilities						
Trade and other payables	133,773,385	–	–	–	133,773,385	133,773,385
Bank loans *(Note)*	109,046,948	168,279,061	–	–	277,326,009	275,149,033
Amount due to an associate	666,695	–	–	–	666,695	666,695
Lease liabilities	1,012,500	–	–	–	1,012,500	1,005,704
Amounts due to a NCI	3,170,000	–	–	–	3,170,000	3,170,000
	247,669,528	168,279,061	–	–	415,948,589	413,764,817

47. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

47.6 Liquidity risk (Cont'd)

Note: Bank loans with a repayable on demand clause are included in the "within 1 year or on demand" time band in the above maturity analysis. At 31 March 2022, the aggregate undiscounted principal amounts of these bank loans amounted to HK$19,356,249 (2021: HK$20,817,187). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Over 5 years	Total contractual undiscounted cash flow	Carrying amount
2022						
Non-derivative financial liabilities						
Bank loans	**1,538,944**	**1,538,944**	**4,215,685**	**12,062,676**	**19,356,249**	**17,390,044**
2021						
Non-derivative financial liabilities						
Bank loans	1,534,254	1,534,255	4,573,424	13,175,254	20,817,187	18,661,237

47.7 Fair value measurements of financial instruments

Financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability and significance of inputs to the measurements, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

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

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

47. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

47.7 Fair value measurements of financial instruments (Cont'd)

The financial assets and liabilities measured at fair value in the consolidated statement of financial position on a recurring basis are grouped into the fair value hierarchy as follows:

	Level 1	Level 2	Level 3	Total
2022				
Financial assets				
Financial assets at FVTPL				
– Listed equity securities	**34,600,000**	**–**	**–**	**34,600,000**
Financial assets at FVOCI (non-recycling)				
– Unlisted equity investments	**–**	**–**	**73,132,554**	**73,132,554**
	34,600,000	**–**	**73,132,554**	**107,732,554**
2021				
Financial assets				
Financial assets at FVTPL				
– Listed equity securities	22,502,500	–	–	22,502,500
Financial asset at FVOCI (non-recycling)				
– Unlisted equity investment	–	–	15,000,000	15,000,000
	22,502,500	–	15,000,000	37,502,500

There were no transfer between Level 1 and Level 2 during the years ended 31 March 2022 and 2021.

The methods and valuation techniques used for the purpose of measuring fair values categorised in Level 3 are described below.

47. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Cont'd)

47.7 Fair value measurements of financial instruments (Cont'd)

Unlisted equity investments (Level 3)

The unlisted equity investments represent investments in a private equity fund and a private company. The Group determines the fair value at the end of the reporting period based on the adjusted net assets value with underlying assets and liabilities measured at fair value as reported by the general partners of the fund.

The information about the fair value of unlisted equity investments under Level 3 fair value hierarchy are described below:

	Valuation technique	Unobservable input	Range of inputs
2022 and 2021			
Unlisted equity investments	Adjusted net assets value	N/A	N/A

The reconciliation of the carrying amounts of the Group's financial instruments classified within Level 3 of the fair value hierarchy is as follows:

	2022	2021
Fair value at 1 April	**15,000,000**	–
Acquisitions	**56,896,552**	15,000,000
Fair value gain recognised in other comprehensive income	**1,236,002**	–
Fair value at 31 March	**73,132,554**	15,000,000

Fair value gain on unlisted equity investments is recognised in other comprehensive income and included under "Fair value reserve (non-recycling)".

There were no transfers into or out of Level 3 during the year ended 31 March 2022 (2021: nil).

48. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, issue of new shares, repurchase of existing shares as well as issue of new debt or redemption of existing debt. The Group's overall strategy remains unchanged from prior years.

The Group monitors capital on the basis of net debt to equity ratio. For this purpose net debt is defined as total debts (which includes bank loans and lease liabilities) less cash and cash equivalents and restricted cash. The Group's policy is to keep the net debt to equity ratio at a reasonable level.

The Group is not subject to any external imposed capital requirements, except for certain subsidiaries of the Group licensed by the Securities and Futures Commission are obliged to meet the regulatory liquid capital requirements under the Securities and Futures (Financial Resources) Rules at all times.

The net debt to equity ratio at the end of the reporting period are as follows:

	2022	2021
Total debts	**338,232,098**	276,154,737
Less:		
Restricted cash	**(4,100,000)**	(4,100,000)
Cash and cash equivalents	**(83,536,258)**	(159,575,769)
Net debt	**250,595,840**	112,478,968
Equity attributable to owners of the Company	**1,063,882,292**	1,038,005,257
Net debt to equity ratio	**24%**	11%

49. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at 31 March 2022 and 2021 are as follows:

Name of company	Country/Place of incorporation/ operations and business	Class of shares/ registered capital	Issued and fully paid share capital/ registered capital	Percentage of ownership interest held by the Company 2022 %	2021 %	Principal activities
Always Best Company Limited	British Virgin Islands/ PRC	Ordinary	US$1	**95**	95	Trading of plastic products
Dongguan Nan Sing Plastics Limited	PRC	Registered	HK$160,000,000	**95**	95	Manufacture of plastic products
Dongguan Nanryo Super Plastics Limited	PRC	Registered	HK$20,000,000	**95**	95	Manufacture of plastic products
Hotel Benito Management Limited	Hong Kong	Ordinary	HK$100,990	**100***	100*	Hotel operation
K.W. & Associates Company Limited	Hong Kong	Ordinary	HK$2,000,000	**100***	100*	Property investment
More Investments Limited	Hong Kong	Ordinary	HK$3	**100***	100*	Property investment
Nan Sing Plastics Limited ("Nan Sing Plastics")	Hong Kong	Ordinary	HK$15,000,000	**95**	95	Trading of plastic products
Nan Sing Warehouse Limited	Hong Kong	Ordinary	HK$100,000	**95**	95	Warehouse and sales of scrap plastic materials
Nanryo Super Plastics (Hong Kong) Limited	Hong Kong	Ordinary	HK$19,500,000	**95**	95	Trading of plastic products
Nice Profit Hong Kong Investment Limited	Hong Kong	Ordinary	HK$100	**50***	50*	Property investment
SAP Realty Company Limited	Hong Kong	Ordinary	HK$100,100	**100***	100*	Property investment
Southeast Asia Properties & Finance (China) Limited	Hong Kong/PRC	Ordinary	HK$2	**100***	100*	Property investment and development

49. PRINCIPAL SUBSIDIARIES (Cont'd)

Name of company	Country/Place of incorporation/ operations and business	Class of shares/ registered capital	Issued and fully paid share capital/ registered capital	Percentage of ownership interest held by the Company 2022 %	2021 %	Principal activities
Stockwell Securities Limited	Hong Kong	Ordinary	HK$30,000,000	**100***	100*	Stock broking
Stockwell Commodities Limited	Hong Kong	Ordinary	HK$15,000,000	**100***	100*	Commodities dealing
Strong Bright Technology Limited	Hong Kong	Ordinary	HK$10,000	**100**	100	Property investment
Tanpar Company Limited	Hong Kong	Ordinary	HK$100	**95**	95	Trading
Top Epoch Limited	Hong Kong	Ordinary	HK$1	**100***	100*	Property investment
Tsen Hsin Industrial Company Limited	Hong Kong	Ordinary	HK$400,000	**95**	95	Property investment
Workcave Limited	Hong Kong	Ordinary	HK$1	**100***	100*	Co-working space operation
Gainful Sky Hong Kong Limited	Hong Kong	Ordinary	HK$100	**100***	100*	Property investment

* Issued capital held directly by the Company

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

49. PRINCIPAL SUBSIDIARIES (Cont'd)

During the year ended 31 March 2022, a wholly-owned subsidiary indirectly held by the Company, Edinburgh Holdings Limited was deregistered and a gain on deregistration of HK$603,630 (note 7) was recognised in the consolidated statement of profit or loss. Edinburgh Holdings Limited was principally engaged in investment holding.

The following table lists out the information relating to Nan Sing Plastics, a subsidiary of the Company with material NCI. The details and the summarised financial information, before intragroup eliminations, are as follows:

	2022	2021
Proportion of ownership interests and voting rights held by the NCI	**4.64%**	4.64%
Current assets	**410,087,006**	393,499,613
Non-current assets	**7,720,253**	2,549,547
Current liabilities	**(233,485,188)**	(208,220,162)
Net assets	**184,322,071**	187,828,998
Carrying amount of NCI	**8,558,688**	8,715,266
Revenue	**329,702,926**	362,853,513
Expenses	**(303,209,853)**	(266,464,858)
Profit and total comprehensive income for the year	**26,493,073**	96,388,655
Profit and total comprehensive income attributable to NCI	**1,229,279**	4,472,434
Dividend paid to NCI	**(1,393,000)**	–
Net cash (used in)/generated from operating activities	**(988,291)**	24,884,123
Net cash (used in)/generated from investing activities	**(10,444,073)**	165,668,065
Net cash used in financing activities	**(10,972,720)**	(155,331,729)
Net (decrease)/increase in cash and cash equivalents	**(22,405,084)**	35,220,459

Except for Nan Sing Plastics, the directors consider that the NCI of other non-wholly owned subsidiaries during the years ended 31 March 2022 and 2021 were insignificant to the Group and thus they are not separately presented in these consolidated financial statements.

SUMMARY OF PROPERTIES HELD FOR INVESTMENT

For the year ended 31 March 2022 (in HK Dollars)

	Location	Existing Use	Category of lease term	Group's interest
(1)	Shops, G/F, 7–7B, Cameron Road, Tsimshatsui, Kowloon	Commercial	Medium-term lease	100%
(2)	9/F, Chan Shan Building, Dong Men Nan Road, Shenzhen, PRC	Commercial	Medium-term lease	100%
(3)	Flat C & D, 2/F., Block 2, Kwai Tak Industrial Centre, Kwai Chung, New Territories	Industrial	Medium-term lease	95%
(4)	Flat 15E Tower 1, Ming Yue Hua Yuan, Yitian Road, Futian Shenzhen, PRC	Residential	Medium-term lease	100%
(5)	Everglory Centre, No. 1B Kimberly Street, Tsimshatsui Kowloon	Commercial	Medium-term lease	100%
(6)	Unit 1902, 19/F., Star House, 3 Salisbury Road, Kowloon	Commercial	Long-term lease	50%
(7)	Nan Sing Building Town Centre Zhangmutou Dongguan PRC	Residential/ Commercial	Medium-term lease	100%
(8)	No. 1 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	Open Space	Medium-term lease	100%

SUMMARY OF PROPERTY UNDER DEVELOPMENT

For the year ended 31 March 2022 (in HK Dollars)

Location		Intended usage	Category of lease term	Group's interest
(1)	7–7B Cameron Road, Tsimshatsui, Kowloon (except ground floor shops)	Commercial/ Hotel operation	Medium-term lease	100%

SUMMARY OF PROPERTIES HELD FOR OWN USE

For the year ended 31 March 2022 (in HK Dollars)

Location		Usage	Category of lease term	Group's interest
(1)	Room 406–410, 4/F, Tower 2, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon	Commercial	Medium-term lease	100%
(2)	24, Essex Crescent, Kowloon Tong, Kowloon	Residential	Medium-term lease	100%
(3)	Nan Sing Industrial Estate, Nan Shan Development Zone Zhangmutou, Dongguan, PRC	Industrial	Medium-term lease	95%
(4)	Car Park Space No. 20 on G/F., Kwai Tak Industrial Centre, Kwai Chung, N.T.	Carpark	Medium-term lease	95%
(5)	Nan Shan Development Zone Zhangmutou Dongguan PRC	Industrial	Medium-term lease	95%

FIVE YEARS FINANCIAL SUMMARY

For the year ended 31 March 2022 (in HK Dollars)

The consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements are as follows:

	2022	2021	2020	2019	2018
Results					
Revenue	**274,414,996**	260,322,083	324,949,954	517,164,366	535,833,149
Profit/(Loss) for the year attributable to:					
Owners of the Company	**26,512,717**	6,266,111	(185,675,835)	(46,776,402)	65,660,616
Non-controlling interests	**224,899**	2,276,544	239,179	1,106,310	1,089,634
	26,737,616	8,542,655	(185,436,656)	(45,670,092)	66,750,250
Assets and liabilities					
Total assets	**1,577,524,878**	1,482,720,163	1,531,114,242	1,781,714,793	1,783,201,422
Total liabilities	**(503,310,652)**	(433,510,398)	(493,841,435)	(545,397,883)	(483,785,491)
	1,074,214,226	1,049,209,765	1,037,272,807	1,236,316,910	1,299,415,931
Equity attributable to:					
Owners of the Company	**1,063,882,292**	1,038,005,257	1,028,985,825	1,227,825,171	1,291,450,260
Non-controlling interests	**10,331,934**	11,204,508	8,286,982	8,491,739	7,965,671
	1,074,214,226	1,049,209,765	1,037,272,807	1,236,316,910	1,299,415,931
EARNINGS/(LOSS) PER SHARE					
Basic and diluted	**11.8 cents**	2.8 cents	(82.4) cents	(20.8) cents	29.8 cents
DIVIDEND PER SHARE	**3 cents**	3 cents	3 cents	3 cents	3 cents