



China Rongzhong Financial Holdings Company Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 03963

2025 ANNUAL REPORT



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Corporate Information

COMPANY NAME

China Rongzhong Financial Holdings Company Limited

STOCK CODE

03963

BOARD OF DIRECTORS

Executive Director

Ms. Wong Emilie Hoi Yan

Non-executive Directors

Mr. Lau Hiu Fung

Ms. Wong Jacqueline Yue Yee

Ms. Wong Michelle Yatyee

Mr. Wong Ming Bun David

Independent non-executive Directors

Mr. Lie Chi Wing

Mr. Liu Chi Wai

Mr. Ng Yuk Yeung Paul

AUDIT COMMITTEE

Mr. Lie Chi Wing (Chairman)

Mr. Lau Hiu Fung

Mr. Liu Chi Wai

Mr. Ng Yuk Yeung Paul

Mr. Wong Ming Bun David

NOMINATION COMMITTEE

Mr. Liu Chi Wai (Chairman)

Mr. Lau Hiu Fung

Mr. Lie Chi Wing

Mr. Ng Yuk Yeung Paul

Ms. Wong Michelle Yatyee

REMUNERATION COMMITTEE

Mr. Liu Chi Wai (Chairman)

Mr. Lau Hiu Fung

Mr. Lie Chi Wing

Mr. Ng Yuk Yeung Paul

Ms. Wong Michelle Yatyee

RISK MANAGEMENT COMMITTEE

Ms. Wong Emilie Hoi Yan (Chairman)

Mr. Liu Chi Wai

Ms. Wong Michelle Yatyee

Mr. Wong Ming Bun David

COMPANY SECRETARY

Mr. Cheng King Fai Kenneth

REGISTERED OFFICE

Vistra (Cayman) Limited

P.O. Box 31119 Grand Pavilion

Hibiscus Way, 802 West Bay Road, Grand Cayman

KY1-1205

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3901, 39/F,

Tower One, Lippo Centre,

89 Queensway,

Hong Kong

COMPANY WEBSITE

www.chinarzfh.com

AUDITOR

Moore CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditors

LEGAL ADVISER

JTC Solicitors

PRINCIPAL SHARE REGISTRAR

Vistra (Cayman) Limited

P.O. Box 31119 Grand Pavilion

Hibiscus Way, 802 West Bay Road, Grand Cayman

KY1-1205

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

PRINCIPAL BANKERS

Bank of Communications Co., Ltd. Hong Kong Branch

China Everbright Bank, Hong Kong Branch

Five-year Financial Summary

RESULTS

	Year ended 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	83,529	89,004	84,833	35,120	15,821
Loss before tax	(6,514)	(7,504)	(123,327)	(567,039)	(121,383)
Income tax (expense) credit	(263)	(75)	11	(774)	–
Loss for the year	(6,777)	(7,579)	(123,316)	(567,813)	(121,383)
Other comprehensive (expense) income	(93)	(427)	52,582	(24,173)	(4,372)
Total comprehensive expense for the year	(6,870)	(8,006)	(70,734)	(591,986)	(125,755)

ASSETS AND LIABILITIES

	As at 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	85,545	84,692	93,635	433,922	846,967
Total liabilities	(67,583)	(66,954)	(118,635)	(1,129,806)	(956,957)
Total equity (capital deficiency)	17,962	17,738	(25,000)	(695,884)	(109,990)

CEO's Statement

On behalf of the board (the **"Board"**) of directors (the **"Directors"** and each a **"Director"**) of China Rongzhong Financial Holdings Company Limited (the **"Company"**), together with its subsidiaries (the **"Group"**), I am pleased to present the annual results of the Group for the year ended 31 March 2025 (the **"Reporting Period"**) to the shareholders of the Company (the **"Shareholders"**).

The past year marked a period of significant transformation for the Group as we built upon the foundation established in prior years. Despite continued macroeconomic headwinds, we successfully executed our strategic initiatives, delivering improved operational performance while laying the groundwork for sustainable, long-term growth. While global economic conditions showed signs of modest recovery, the Group continued to navigate a complex operating environment marked by persistent regional economic disparities that demanded market-specific strategies, lingering inflationary pressures, the unfavourable outlook of the property market also affected customer purchasing power, and evolving regulatory landscapes requiring ongoing compliance investments. Through disciplined execution of our strategic plan, we successfully transformed these challenges into opportunities for growth. Our steadfast focus on operational efficiency and accelerated digital transformation initiatives has not only strengthened our resilience but also positioned the Group advantageously within the rapidly evolving financial services sector.

In 2025, we continued strengthened our market position in leasing operations by expanding our footprint across the People Republic of China (the **"PRC"**), achieving notable success in emerging cities. Through enhanced risk assessment capabilities, we optimized our portfolio quality while sustaining competitive growth, demonstrating our ability to balance expansion with prudent risk management. This strategic advancement has solidified our position in the leasing market and created a stronger foundation for future growth.

As we look ahead to 2026, the Group is committed to further expanding our leasing operations, recovering past due receivables, and mitigating business risks. The Board recognizes the importance of diversifying income sources and will continue to explore opportunities beyond the leasing industry to enhance and nurture synergies within our ecosystem. In addition, the Group established certain priorities to drive sustainable growth and maintain our competitive edge. We will accelerate our growth by enhancing our automation capabilities in loan approval, risk management and customer service, while broadening our range and locations of value-added financial services. Finally, we are committed to develop various financing solutions to offer comprehensive and innovation financial service and sustainable finance initiatives, including green leasing products aligned with the carbon neutrality objectives in the PRC.

In conclusion, on behalf of the Board and management, I express my sincere gratitude to our Shareholders, business partners, customers, and all staff of the Group for their unwavering support and dedication throughout this challenging year. We remain committed to delivering outstanding results and look forward to a brighter future.

Wong Emilie Hoi Yan
Chief Executive Officer

Hong Kong, 26 June 2025

BOARD OF DIRECTORS

Executive Director

Ms. WONG Emilie Hoi Yan (“Ms. Emilie Wong”), aged 49, was appointed as an executive Director (“**Executive Director**”) on 3 July 2018, she was appointed as the chief executive officer of the Company (“**Chief Executive Officer**”) on 12 July 2018. Ms. Emilie Wong is responsible for the implementation of the Group’s development strategies as set out by the Board, and in addition, the management of the daily operations of the Company. Ms. Emilie Wong obtained a Bachelor’s degree in Science from State University of New York at Buffalo in 1999, she has over 20 years of experience in financial reporting and internal control matters in finance and finance leasing industry. Ms. Emilie Wong joined the Group in 2007 and was appointed as the deputy financial controller of the Company in 2016. She is also a director of various subsidiaries of the Company.

Ms. Emilie Wong is also a director of certain subsidiaries of Rongzhong Group Limited (“**Rongzhong Group**”); Legend Crown International Limited (“**Legend Crown**”); Plenty Boom Investments Limited (“**Plenty Boom**”); and Yancheng Goldbond Supply Chain Management Company Limited (formerly known as Yancheng Goldbond Technology Small Loan Company Limited, “**Yancheng Goldbond**”).

Ms. Emilie Wong is a cousin of Ms. Wong Jacqueline Yue Yee and Ms. Wong Michelle Yatyee, each a non-executive Director (“**Non-executive Director**”) and each a controlling shareholder of the Company (“**Controlling Shareholder**”). Ms. Emilie Wong is a niece of Mr. Wong Yu-Lung Charles and Ms. Wong Fang Pik Chun, each a Controlling Shareholder.

Save as disclosed under the section headed “Share Option Scheme” in the “Report of Directors”, Ms. Emilie Wong was not interested in any underlying shares of the Company (“**Shares**”) within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “**SFO**”). Save as disclosed in this annual report, Ms. Emilie Wong does not have any relationship with any other Directors, senior management, Controlling Shareholders or substantial shareholders.

Non-executive Directors

Mr. Lau Hiu Fung (“Mr. Lau”), aged 52, was appointed as a non-executive Director on 28 April 2023. Mr. Lau holds a Bachelor Degree in Industrial and Manufacturing Systems Engineering from the University of Hong Kong and a Master Degree in Business Administration from the Australian National University. Mr. Lau has extensive experience in capital market, financial investment and asset management. Mr. Lau is currently a licence holder for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. Mr. Lau is currently a partner of L8MU Investment Limited, a boutique family office based in Hong Kong.

Mr. Lau was not interested in any underlying Shares within the meaning of Part XV of the SFO. Save as disclosed in this annual report, Mr. Lau does not have any relationship with any other Directors, senior management, Controlling Shareholders or Substantial Shareholders.

Biographies of Directors

Ms. WONG Jacqueline Yue Yee (“Ms. Jacqueline Wong”), aged 39, was appointed as a Non-executive Director on 23 June 2015 and is primarily responsible for advising on strategic development and corporate governance of our Group. Ms. Jacqueline Wong graduated from the University of Southern California in May 2007 with a bachelor of arts degree in political science and the University of London in July 2010 with a bachelor of law degree. Since 2014, Ms. Jacqueline Wong has been an executive director of Wah Link Investments Limited, a company which principally engaged in property investment and her role in Wah Link Investments Limited mainly involves acquiring, managing and maintaining residential and commercial real estate projects in Asia and in United States. Ms. Jacqueline Wong is a director of certain subsidiaries and an associate of Goldbond Group Holdings Limited (“**Goldbond**”), a Controlling Shareholder of the Company.

Ms. Jacqueline Wong is a director of Legend Crown and Plenty Boom. She is the founder of a discretionary trust which holds the entire issued share capital of Legend Crown and Plenty Boom which have interest in the Shares. Ms. Jacqueline Wong is also the beneficiary of a trust. She is interested in underlying Shares in respect of the share options granted by the Company to certain Directors. Details of her interest in the underlying Shares in the Company are set out in the “Report of Directors”. Ms. Jacqueline Wong was taken to be interested in a total of 370,288,716 underlying Shares within the meaning of Part XV of the SFO as of the date of this report.

Ms. Jacqueline Wong is a daughter of Mr. Wong Charles Yu Lung and Mrs. Wong Fang Pik Chun, each (including Ms. Jacqueline Wong) a Controlling Shareholder. She is a sister of Ms. Michelle Wong, a Non-executive Director and a Controlling Shareholder of the Company. She is a cousin of Ms. Emilie Wong, an Executive Director and the Chief Executive Officer. Save as disclosed in this annual report, Ms. Jacqueline Wong does not have any relationship with any other Directors, senior management, Controlling Shareholders or Substantial Shareholders of the Company.

Ms. WONG Michelle Yatyee (“Ms. Michelle Wong”), aged 44, was appointed as a Non-executive Director on 11 July 2019 and is primarily responsible for advising on strategic development and corporate governance of our Group. Ms. Michelle Wong is an executive director of Goldbond, a Controlling Shareholder of the Company. She graduated from the University of Southern California, Los Angeles, the United States of America (“**U.S.A.**”) with a bachelor degree of arts in political science in May 2003 and holds a juris doctorate in law from Whittier Law School, California, the U.S.A. in May 2006 and is also a Certified ESG Planner of the International Chamber of Sustainable Development. Ms. Michelle Wong is also a director of certain subsidiaries of Goldbond.

Ms. Michelle Wong is a director of Legend Crown and Plenty Boom and she is interested in Legend Crown and Plenty Boom which have interests in the Shares. Ms. Michelle Wong is the beneficiary of a trust. She is interested in underlying Shares in respect of the share options granted by the Company to certain Directors. Details of her interest in the underlying Shares in the Company are set out in the “Report of Directors”. Ms. Michelle Wong was taken to be interested in a total of 370,288,716 underlying Shares within the meaning of Part XV of the SFO.

Ms. Michelle Wong is a daughter of Mr. Wong Charles Yu Lung and Mrs. Wong Fang Pik Chun, each (including Ms. Michelle Wong) a Controlling Shareholder. She is a sister of Ms. Wong Jacqueline Yue Yee, a Non-executive Director and a Controlling Shareholder. She is also a cousin of Ms. Wong Emilie Hoi Yan, an Executive Director and the Chief Executive Officer. Saved as disclosed in this annual report, Ms. Michelle Wong does not have any relationship with any other Directors, senior management, Controlling Shareholders or Substantial Shareholders of the Company.

Mr. WONG Ming Bun David (“Mr. David Wong”), aged 52, was appointed as a Non-executive Director on 11 July 2019 and is primarily responsible for advising on strategic development and corporate governance of our Group. Mr. David Wong has over 20 years of professional capital market, financial investment and asset management experience. He is an executive director and the chief executive officer of Goldbond, a Controlling Shareholder of the Company and he is currently an independent non-executive director of Hingtex Holdings Limited (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); stock code: 1968). Prior to joining the Goldbond, he was a senior vice president at Franklin Templeton Darby Private Equity and was responsible for deal origination, execution and monitoring and was involved in fundraising for regional growth capital funds with a primary focus on private credit and mezzanine financing in the Greater China and Southeast Asian region. Before that, he was an equity research analyst in Citigroup Smith Barney’s asia pacific consumer research team, covering a portfolio of listed companies in Hong Kong, Taiwan, South Korea, Indonesia, Singapore and Malaysia. Previously, Mr. David Wong worked at PricewaterhouseCoopers focusing on banking and capital market assurance and business advisory services. He graduated from the University of Toronto with a bachelor of commerce degree majoring in accounting & finance in June 1995 and is also a Certified Public Accountant (AICPA, HKICPA), Chartered Global Management Accountant (AICPA), Certified Management Accountant (IMA) and Certified ESG Planner of the International Chamber of Sustainable Development. Mr. David Wong is also a director of certain subsidiaries of Goldbond and a legal representative of a subsidiary of Goldbond.

Save as disclosed under the section headed “Share Option Scheme” in the “Report of Directors”, Mr. David Wong was not interested in any underlying Shares within the meaning of Part XV of the SFO. Save as disclosed in this annual report, Mr. David Wong does not have any relationship with any other Directors, senior management, Controlling Shareholders or Substantial Shareholders.

Independent Non-executive Directors

Mr. LIE Chi Wing (“Mr. Lie”), aged 47, was appointed as an independent non-executive Director (“**Independent Non-executive Director**” or “**INED**”) on 19 November 2019, and is primarily responsible for supervising and providing independent judgement to the Board. Mr. Lie holds a Bachelor Degree of Business Administration (First Class Honors) from The Hong Kong University of Science and Technology. He is a fellow member of the Association of Chartered Certified Accountants and a practicing member of the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Financial Analyst. Mr. Lie has extensive experience in auditing and corporate advisory services with major international accounting firms. Mr. Lie is currently the Company Secretary of China Water Affairs Group Limited (stock code: 855), the shares of which are listed on the Main Board of the Stock Exchange. He was also an independent non-executive director of Carnival Group International Holdings Limited (stock code: 996) from 5 February 2015 to 9 April 2019, of which the shares are listed on the Main Board of the Stock Exchange.

Save as disclosed under the section headed “Share Option Scheme” in the “Report of Directors”, Mr. Lie was not interested in any underlying Shares within the meaning of Part XV of the SFO. Save as disclosed in this annual report, Mr. Lie does not have any relationship with any other Directors, senior management, Controlling Shareholders or Substantial Shareholders.

Biographies of Directors

Mr. Liu Chi Wai (“Mr. Liu”), aged 50, was appointed as an Independent Non-executive Director on 30 December 2024. Mr. Liu is currently an executive director of LFG Investment Holdings Limited (stock code: 3938). Mr. Liu is also a director of Lego Corporate Finance Limited. Mr. Liu has acted as a Responsible Officer of Lego Corporate Finance Limited for Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (“SFO”) since January 2016 and is one of the sponsor principals of Lego Corporate Finance Limited. Mr. Liu is also a Licensed Representative of Lego Securities Limited for Type 1 (dealing in securities) regulated activity under the SFO since May 2021.

Mr. Liu has accumulated over 25 years of experience in the securities and investment banking industries. Prior to joining LFG Investment Holdings Limited, he had gained corporate finance advisory experience from various licensed corporations. He worked at Quam Capital Limited from February 2009 to January 2016 and his last position was a director of financial advisory department and a Responsible Officer of Quam Capital Limited for Type 6 (advising on corporate finance) regulated activity. Prior to that, he had worked at Optima Capital Limited from April 2005 to January 2009 with his last position as an associate director, South China Finance and Management Limited from May 2004 to March 2005 with his last position as an assistant manager, Hooray Capital Limited from September 2001 to May 2004 with his last position as an assistant manager; and Pacific Challenge Capital Limited from August 2000 to September 2001 as a corporate finance executive. Prior to that, he had worked at Emperor Securities Limited from July 1997 to March 2000 with his last position as a project officer, during which he worked in the settlement department.

Mr. Liu obtained a bachelor’s degree in business administration (major in management information systems) from the Hong Kong Baptist University in December 1997.

Mr. Liu was not interested in any underlying Shares within the meaning of Part XV of the SFO. Save as disclosed in this annual report, Mr. Liu does not have any relationship with any other Directors, senior management, Controlling Shareholders or Substantial Shareholders.

Mr. Ng Yuk Yeung Paul (“Mr. Paul Ng”), aged 44, was appointed as an Independent Non-executive Director on 28 April 2023. Mr. Paul Ng is an executive director, the executive vice chairman, the co-chief executive officer and a member of the executive committee of South China Holdings Company Limited, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 413). He is also an executive director of South China Financial Holdings Limited, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 619).

He graduated in Law from Corpus Christi College, University of Cambridge in the United Kingdom and is a Scholar of University of Cambridge. He is an associate member of the Chartered Institute of Management Accountants and a member of the 13th and 14th National Committee of the Chinese People’s Political Consultative Conference and is a standing member of the 11th, 12th and 13th Liaoning Provincial Committee of the Chinese People’s Political Consultative Conference. He was the winner of the Young Industrialist Awards of Hong Kong 2017. He has extensive experience in the financial services, property development, OEM toys manufacturing, tourism and media businesses.

He served as a director of South China Assets Holdings Limited (the issued shares of which were delisted on GEM of the Stock Exchange in March 2022) from October 2003 to March 2022, in which he was appointed as an executive director in October 2003 and redesignated as a non-executive director in January 2016.

Mr. Paul Ng was not interested in any underlying Shares within the meaning of Part XV of the SFO. Save as disclosed in this annual report, Mr. Paul Ng does not have any relationship with any other Directors, senior management, Controlling Shareholders or Substantial Shareholders.

The Board is pleased to present the Corporate Governance Report of the Company for the year ended 31 March 2025.

Corporate Governance Practice

The Group is committed to promote good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”). During the Reporting Period, except as disclosed in this report, the Company had complied with all code provisions in the CG Code and had adopted most of the recommended best practices set out in the CG Code except for:

1. With effect from 30 September 2024 and following the resignation of Mr. Ng Wing Chung Vincent (“**Mr. Vincent Ng**”), the Board has only two independent non-executive Directors (“**INED(s)**”) which fell short of the minimum number (namely three INEDs) and proportion (namely one-third of the Board) as required under Rule 3.10(1) and Rule 3.10A of the Listing Rules. The required composition of the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”) of the Company did not, as a result of the resignation of Mr. Vincent Ng, meet the requirements under Rule 3.21, Rule 3.25 and Rule 3.27A of the Listing Rules respectively.
2. Mr. Liu Chi Wai (“**Mr. Liu**”) was appointed as an INED, a member of the Audit Committee, the chairman of the Nomination Committee and the chairman of Remuneration Committee, each with effect on 30 December 2024. Following the aforesaid appointments of Mr. Liu, the Company is now in compliance with Rule 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.
3. As at the date of this report, the Company does not have a Chairman to discharge the duties as required under CG Code A.2.2 to A.2.9. The daily operation and management of the Company are monitored by the Executive Director as well as the Senior Management of the Company. The Board is of the view that although there is no Chairman, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting the operation of the Company and the Group. This arrangement can still enable the Company to make and implement decisions promptly, and thus achieve the Company’s objectives efficiently and effectively in response to the changing environment. The Company will, at the appropriate time, arrange for the election of a Chairman.

BOARD OF DIRECTORS

Board Composition

During the Reporting Period and up to the date of this report, the composition of the Board is as follows:

Executive Director

Ms. Wong Emilie Hoi Yan

Non-executive Directors

Mr. Lau Hiu Fung

Ms. Wong Jacqueline Yue Yee

Ms. Wong Michelle Yatyee

Mr. Wong Ming Bun David

Independent Non-executive Directors

Mr. Lie Chi Wing

Mr. Liu Chi Wai (appointed on 30 December 2024)

Mr. Ng Wing Chung Vincent (resigned on 30 September 2024)

Mr. Ng Yuk Yeung Paul

Corporate Governance Report

Responsibilities of the Board

The Board is responsible for setting the Company's corporate strategies, supervising and monitoring its implementation, review of the overall operations and financial performance of the Group, and making decisions in major aspects of the Company's matters including but not limited to the approval and adoption of key policies, material transactions, business plans, annual budgets, internal control, risk management, annual and interim results.

The Board is entrusted with the overall responsibility of monitoring the Company's business and affairs and ultimately responsible for the management of the Company which is delegated to the Chairman, the Chief Executive Officer and the senior managements (the **"Senior Management"**) of the Company. The roles of the Chairman and the Chief Executive Officer are separated.

The Chairman is responsible for the proposing and reviewing of corporate directions and strategies of the Group, while the Chief Executive Officer works with the Senior Management team to ensure proper implementation of these strategies throughout the development of the Group. The Chief Executive Officer and Senior Management are responsible for the day-to-day operations of the Group under the leadership of the Chairman.

Ms. Wong Emilie Hoi Yan is currently the Chief Executive Officer, while the position of the Chairman remains vacant. The daily operation and management of the Company is monitored by the Executive Director as well as the Senior Management. The Board is of the view that although there is no Chairman, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting the operation of the Company and the Group. This arrangement can still enable the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently and effectively in response to the changing environment. The Company will, at the appropriate time, arrange for the election of a Chairman.

Each of the INEDs has confirmed his/her independence in compliance with guidelines set out in Rule 3.13 of the Listing Rules. Each of the INEDs will inform the Company in writing as soon as practicable if there is any change of circumstances which may affect his/her independence. The Company is of the view that all INEDs meet the independence guidelines as set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

The biographical information of the Directors and the relationships among the Directors are set out in the section headed "Biographies of Directors" on pages 5 to 8 of this annual report.

Non-executive Directors

Each of the Non-executive Directors is appointed for a specific term which may be extended as each of the Non-executive Directors and the Company may agree, unless previously terminated in accordance with the terms and conditions of the relevant letter of appointment or director's service contract.

Pursuant to the amended and restated memorandum and articles of association of the Company as adopted by a special resolution passed on 18 December 2015 (the **"Articles"**), at each annual general meeting one-third of the Directors for the time being, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Each Director (including the non-executive Directors and independent non-executive Directors) is engaged for an initial term of two years, which is renewable automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter.

Board Meetings and Attendance

In accordance with Appendix C1 to the Listing Rules, Code Provision C.5.1 prescribes that at least four regular Board meetings should be held each year at approximately quarterly intervals with active participation from the majority of the Directors, either in person or through other electronic means of communication.

During the Reporting Period, the Company did not hold extraordinary general meeting (**"EGM"**).

During the Reporting Period, the Board held three regular Board meetings and one annual general meeting (**"AGM"**).

Corporate Governance Report

During the Reporting Period, the record of each Director attended/being eligible to attend, at the Board meetings, general meetings and committee meetings are set out below:

Directors	Regular Board Meeting	AGM	EGM	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee
Executive Director							
Ms. Wong Emilie Hoi Yan	3/3	1/1	N/A	N/A	N/A	N/A	N/A
Non-executive Directors							
Mr. Lau Hiu Fung	3/3	1/1	N/A	4/4	2/2	1/1	N/A
Ms. Wong Jacqueline Yue Yee	2/3	1/1	N/A	N/A	N/A	N/A	N/A
Ms. Wong Michelle Yatyee	2/3	1/1	N/A	N/A	2/2	1/1	N/A
Mr. Wong Ming Bun David	3/3	1/1	N/A	4/4	N/A	N/A	N/A
Independent Non-executive Directors							
Mr. Lie Chi Wing	3/3	1/1	N/A	4/4	2/2	1/1	N/A
Mr. Liu Chi Wai (appointed on 30 December 2024)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Ng Wing Chung Vincent (resigned on 30 September 2024)	2/2	1/1	N/A	2/2	1/1	N/A	N/A
Mr. Ng Yuk Yeung Paul	3/3	1/1	N/A	4/4	2/2	1/1	N/A

The Board having considered the attendance records of the Directors is satisfied that each Director spends sufficient time performing his/her responsibilities.

Induction and Continuous Professional Development

The Company encourages all Directors to participate in continuous professional development to further enhance and refresh their knowledge and skills, as well as to receive updates on developments in corporate governance practices. In addition, every newly appointed Director is provided with a package comprising the induction materials such as the duties and responsibilities of directors under the Listing Rules and Chapter 622 of the Laws of Hong Kong (Hong Kong Companies Ordinance), guidelines for directors issued by the Companies Registry of Hong Kong, legal and other new regulatory requirements and the governance policies of the Company. During the Reporting Period, Mr. Liu Chi Wai was appointed. He had obtained legal advice relating to director's duties and responsibilities under applicable laws and regulations on 27 December 2024 from a law firm qualified to advise on Hong Kong law pursuant to Rule 3.09D of the Listing Rules, and had confirmed that he understood his obligations as a Director of the Company.

The Directors received the following training for the year ended 31 March 2025 (based on the records provided by the Directors):

Directors	Reading materials/ regulatory updates/ management monthly updates	Attending seminars
Executive Director		
Ms. Wong Emilie Hoi Yan	✓	✓
Non-executive Directors		
Mr. Lau Hiu Fung	✓	✓
Ms. Wong Jacqueline Yue Yee	✓	✓
Ms. Wong Michelle Yatyee	✓	✓
Mr. Wong Ming Bun David	✓	✓
Independent Non-executive Directors		
Mr. Lie Chi Wing	✓	✓
Mr. Liu Chi Wai (appointed on 30 December 2024)	✓	✓
Mr. Ng Wing Chung Vincent (resigned on 30 September 2024)	✓	✓
Mr. Ng Yuk Yeung Paul	✓	✓

Corporate Governance Report

Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company has made specific enquiries with all of the Directors, each of whom has confirmed that he/she has, throughout the Reporting Period, complied with the required standards set out therein.

Directors' and officers' Insurance

The Directors and officers are indemnified under a directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

Directors' Remuneration

The remuneration of Directors have been determined by the Board for the year ended 31 March 2025 with reference to their respective duties and responsibilities within the Group and the benchmarks from similar positions and prevailing market conditions.

The remuneration paid to and/or entitled by each of the Directors for the year ended 31 March 2025 is set out below:

Name of Directors	Directors' Fee HK\$'000	Retirement benefit scheme contributions HK\$'000	Other emoluments mainly salaries and other benefits HK\$'000	Equity-settled share-based payment HK\$'000	Total HK\$'000
For the year ended 31 March 2025					
Executive Director:					
Ms. Wong Emilie Hoi Yan (Note)	–	18	1,032	104	1,154
Non-executive directors:					
Mr. Lau Hiu Fung	120	–	–	106	226
Ms. Wong Jacqueline Yue Yee	120	–	–	10	130
Ms. Wong Michelle Yatyee	120	–	–	10	130
Mr. Wong Ming Bun David	120	–	–	–	120
Independent non-executive directors:					
Mr. Lie Chi Wing	120	–	–	8	128
Mr. Liu Chi Wai (appointed on 30 December 2024)	31	–	–	–	31
Mr. Ng Wing Chung Vincent (resigned on 30 September 2024)	60	–	–	4	64
Mr. Ng Yuk Yeung Paul	120	–	–	8	128
	811	18	1,032	250	2,111

Note: Ms. Wong Emilie Hoi Yan's emoluments disclosed above include those for services rendered by her as the Chief Executive Officer.

Board Diversity Policy

On 18 December 2015, the Company adopted the board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity on the Board in order to enhance quality of its performance. On 2 May 2019, the Company adopted a series of terms of reference for Board committees in compliance with the regulations contained in the Companies Law of the Cayman Islands, the Listing Rules and the Articles. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage. Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company’s corporate strategy and to ensure that the Board maintains a balanced diverse profile. In reviewing and assessing the Board composition, its diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and education background, professional qualifications, skills, knowledge, industry and regional experience. The Company aims to maintain an appropriate balance of diverse perspectives that are relevant to the Company’s business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The Board may adopt and/or amend from time to time as applicable such perspectives that are appropriate to the Company’s business and the Board succession planning as applicable.

After taking into account a wide range of diversity aspects as well as the needs of the Company and the environment in which it operates, having at least one female Director by 31 March 2024 has been set as the Company’s objective (which has already been accomplished) in achieving gender diversity at Board level. The Board believes that the Company’s success is determined by various factors. It is not necessarily in a direct proportion to the number of Directors of a particular gender. Selection of female candidates to join the Board is, in part, dependent on the pool of candidates possessing the qualities required by the Company. Board appointment is always based on merit and contributions likely brought by the chosen candidates without focusing on a single diversity aspect, or it may compromise on the calibre of the Directors. To be in line with the Company’s development and get well prepared for the possible future needs, the Board will review the set target and timeline in due course and develop a pipeline of potential successors to the Board for gender diversity purpose by changing the Company’s policies and practices in identifying suitable Board members with an emphasis on the sufficient presence of female Directors and broadening the sourcing channels as well as providing opportunities for potential women to take up managerial roles.

Although the Company is paving the way to facilitate gender balance across the workforce (including senior management), it does not intend to fix any gender diversity quota or set a short-term objective thereon given that the business nature as well as the geographical location of the Company do not lead to any favouritism on engaging employees of a particular gender. Gender diversity of the workforce is indeed not a relevant issue to the Company. As provided in the Company’s employment policy, staff recruitment is mainly based on the needs of the Company and the principles laid down therein, such as equal opportunities and “selection on capability”. Details of gender ratio of the workforce (including senior management) are set out in the Environmental, Social and Governance Report headed “Protecting Employee’s Rights and Interests” on page 57.

BOARD COMMITTEES

The Company established four Board committees on 18 December 2015, namely the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee. The terms of reference of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee are posted on the websites of the Company and the Stock Exchange.

Corporate Governance Report

Audit Committee

The Audit Committee was established on 18 December 2015. On 2 May 2019, the Company adopted a terms of reference of the Audit Committee in compliance with the regulations contained in the Companies Law of the Cayman Islands, the Listing Rules and the Articles. The primary duties of the Audit Committee during the year included but not limited to reviewing the Group's financial information, overseeing the Group's financial reporting system and internal control procedures, risk management system and maintaining relationship with the Group's external auditor and providing recommendations to the Board. As at the date of this report, the Audit Committee consisted of two Non-executive Directors: Mr. Lau Hiu Fung and Mr. Wong Ming Bun David, and three INEDs: Mr. Lie Chi Wing, Mr. Liu Chi Wai and Mr. Ng Yuk Yeung Paul. The chairman of the Audit Committee was Mr. Lie Chi Wing.

During the Reporting Period, three meetings of the Audit Committee, the management of the Company and the external auditor of the Company were held to review the accounting principles and policies adopted by the Group, the financial reporting matters, the interim and annual results of the Group for the Reporting Period and proposed adoption of the same by the Directors. The attendance records are set out under the section headed "Board Meetings and Attendance" of this report.

Nomination Committee

The Nomination Committee was established by the Board on 18 December, 2015. On 2 May 2019, the Company adopted a director nomination policy in compliance with the CG Code (the "**Director Nomination Policy**"). The Board has delegated its authority and duties for matters relating to selection and appointment of Directors to the Nomination Committee of the Company. During the year, the Nomination Committee was responsible for the setting of the criteria and process in the nomination and appointment of Directors, ensuring the Board has a balance of skills and diversity of perspectives appropriate to the Company and to ensure the continuity and appropriate leadership in the Board. The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- requirements of Independent Non-executive Directors on the Board and independence of the proposed Independent Non-executive Directors in accordance with the Listing Rules; and
- commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

Any nomination of directors will be reviewed by the Nomination Committee. Upon considering a candidate suitable for the directorship after having regard to the above selection criteria, the Nomination Committee will approve the recommendation to the Board for appointment. After due consideration, the Board confirms to appoint the candidate to fill a vacancy or as an addition to the Board.

As at the date of this report, the Nomination Committee consisted of, two Non-executive Directors: Mr. Lau Hiu Fung and Ms. Wong Michelle Yatyee, and three INEDs: Mr. Lie Chi Wing, Mr. Liu Chi Wai and Mr. Ng Yuk Yeung Paul. The chairman of the Nomination Committee was Mr. Liu Chi Wai.

During the Reporting Period, one meeting of the Nomination Committee was held to among other matters, make recommendation to the Board for the re-election of retiring Directors be proposed for shareholders' approval in the AGM; and to review the structure, size and composition of the Board. The attendance records are set out under the section headed "Board Meetings and Attendance" of this report.

Remuneration Committee

The Remuneration Committee was established by the Board on 18 December 2015 with written terms of reference in compliance with the Listing Rules and the CG Code. The primary duties of the Remuneration Committee during the year included but are not limited to regularly monitoring the remuneration of all the Directors and the Senior Management to ensure that the levels of their remuneration and compensation are appropriate, to assess the performance of executive directors and to approve the terms of executive directors' service contracts and to make recommendations to the Board on the remuneration packages of individual executive directors and senior management. As at the date of this report, the Remuneration Committee consisted of two Non-executive Directors: Mr. Lau Hiu Fung and Ms. Wong Michelle Yattee and three INEDs: Mr. Lie Chi Wing, Mr. Liu Chi Wai and Mr. Ng Yuk Yeung Paul. The chairman of the Remuneration Committee was Mr. Liu Chi Wai.

During the Reporting Period, one meeting of the Remuneration Committee was held to among other matters, review and make recommendation to the Board for the grant of share options during the Reporting Period and under the share option scheme adopted by the Company on 18 December 2015. The attendance records are set out under the section headed "Board Meetings and Attendance" of this report.

Risk Management Committee

The Risk Management Committee was established by the Board on 18 December 2015. The primary duties of the Risk Management Committee during the year were to formulate and monitor the implementation of our major risk management policies and systems, ensure necessary measures are adopted by the Senior Management to identify, evaluate, measure, detect, control and mitigate risks and conduct regular review on the risk management reports submitted by the Senior Management. It is also in charge of reviewing the feasibility, risk prevention and mitigation measures of finance leasing projects larger than RMB100.0 million and other risk-related issues in our operations that may have a material impact on our business. As at the date of this report, the Risk Management Committee consisted of one Executive Director: Ms. Wong Emilie Hoi Yan; two Non-executive Directors: Ms. Wong Michelle Yattee and Mr. Wong Ming Bun David; and one INED: Mr. Liu Chi Wai. The chairman of the Risk Management Committee was Ms. Wong Emilie Hoi Yan.

During the Reporting Period, the Company did not hold meeting of the Risk Management Committee and the primary duties of the Risk Management Committee have been discharged by the Board as a whole during the year.

The Board is responsible for performing the functions set out in Code Provision A.2.1 of the CG Code.

During the year, the Board had reviewed once the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and written employee guidelines of the Company, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The Company has appointed Moore CPA Limited ("**Moore**") as the Company's external auditor on 8 April 2022. The Audit Committee has been notified of the scope of work, nature and the service charges of the audit and non-audit services performed by Moore and considered that these audit and non-audit services have no adverse effect on the independence of Moore. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of Moore.

Corporate Governance Report

The remuneration paid/payable to Moore in respect of audit and non-audit services for the year ended 31 March 2025 is set out below:

Nature of services provided by Moore	Amount of Fees HK\$'000
Audit fee for final results	1,138
Non-audit services (professional fee in relation to agreed upon procedures on interim financial information)	280
Total	1,418

In order to maintain the independence and objectivity of Moore, the Group has been monitoring the use of the auditor for non-audit services and the balance of audit and non-audit fees paid. The Audit Committee has pre-approved the engagement of Moore to provide the non-audit services and any other non-audit services must be specifically pre-approved by the Audit Committee.

DIRECTORS' AND AUDITORS' RESPONSIBILITY OF FINANCIAL REPORTING

The Directors acknowledge that they are responsible for the preparation of the financial statements of the Company for the year ended 31 March, 2025. The Company's financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently and the related interpretations, adjustments and estimates made are prudent and reasonable and the financial statements have been prepared on a going concern basis. The Directors are aware of conditions indicating the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as going concern. The statement made by external auditor of the Company about their reporting responsibilities on the financial statements is set out in the section headed "Independent Auditor's Report" of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the responsibility to maintain an effective risk management and internal control system in order to safeguard the Group's assets and investments and the Shareholders' interest. The Board reviews the effectiveness of the Group's risk management and internal control system at least once a year. During the Reporting Period, the Company engaged an external independent internal audit service provider to review the effectiveness of the Group's internal control system on financial reporting, operation and compliance. The review plan was presented to the Audit Committee and the Board, with strengths and recommendations for improvements.

The relevant assessment and review reports have been considered by the Audit Committee and the Board for assessing the effectiveness of the risk management and internal control systems. The Audit Committee has also reviewed the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions performed by the external independent internal audit service provider. The Board, through the reviews made by the external independent internal audit service provider and the recommendations of the Audit Committee, concluded that the risk management and internal control systems are effective and adequate for the Group.

COMPANY SECRETARY

Ms. Cheng Choi Ha resigned as the company secretary of the Company (the “**Company Secretary**”). On 27 January 2022, Mr. Cheng King Fai Kenneth (“**Mr. Cheng**”) was appointed as the Company Secretary. Mr. Cheng is currently the Deputy Financial Controller of the Company. Mr. Cheng has over 20 years of experience in the fields of accounting, auditing and financial management. Prior to joining the Group, he was a Senior Finance Manager of Hang Lung Properties Limited, worked for the Property Manager of Hui Xian Real Estate Investment Trust as the Head of Finance, and has acquired extensive auditing experience while working at Deloitte Touche Tohmatsu. Mr. Cheng is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Cheng holds a Master’s degree in Business Administration from Tsinghua University. He also holds a Bachelor’s degree in Accountancy from The Hong Kong Polytechnic University. Mr. Cheng had complied with Rule 3.29 of the Listing Rules to take no less than 15 hours of relevant professional training during the Reporting Period.

CONSTITUTIONAL DOCUMENTS

There were no changes in the Company’s constitutional documents during the Reporting Period.

SHAREHOLDERS’ COMMUNICATION POLICY

The Company adopted a shareholders’ communication policy on 18 December 2015. Under this policy, the Company communicates with its Shareholders and the investment community through various means: timely publication of the Company’s interim and annual financial reports, annual general meetings and other general meetings that may be convened, making available all the disclosures submitted to the Stock Exchange and any of the Company’s corporate communications and publications on the Company’s website.

The annual general meeting and other general meetings of the Company are the primary forums of communication between Shareholders and the Board. The Company shall provide Shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the Articles and the Listing Rules. The Company encourages Shareholders to attend and participate in general meetings. The members of the Board and other chairmen of all the Board committees, or their delegates, and the external auditor will attend the annual general meeting to answer any questions from Shareholders.

The policy is reviewed annually by the Board, and during the Reporting Period, the Board confirmed that it was satisfied with its implementation and effectiveness. In view of the formal communication channels have been setup, the Board considered the current channels would be sufficient for the Company to communicate with the Shareholders.

SHAREHOLDERS’ RIGHTS

– Procedures for Shareholders to convene EGMs

Pursuant to Article 64 of the Articles, one or more shareholder(s) holding not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition (the “**Requisition**”).

The Requisition shall be made in writing by post to the Company’s principal place of business in Hong Kong at Unit 3901, 39/F, Tower One, Lippo Centre, 89 Queensway, Hong Kong for the attention of the Board.

Pursuant to Article 64 of the Articles, the Board is required to hold the EGM within two months after the deposit of the Requisition.

Pursuant to Article 64 of the Articles, if the Board fails to proceed to convene the general meeting within 21 days of the deposit of the Requisition, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Corporate Governance Report

– Procedures for Shareholders to raise enquiries

Shareholders shall direct their questions about their shareholdings, share transfer, share registration and payment of dividend to Tricor Investor Services Limited (“**Tricor**”), the Company’s Hong Kong branch share registrar. Contact details of Tricor are set out below:

Address: 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Telephone: +852 2980 1333
Fax: +852 2810 8185

Shareholders may at any time raise any enquiries in respect of the Company at the following designated contacts, correspondence address, email address and enquiry hotline of the Company:

Address: Unit 3901, 39/F, Tower One, Lippo Centre, 89 Queensway, Hong Kong
Email: info@chinarzfh.com
Telephone: +852 2899 2682
Attention: Board of Directors

Shareholders are reminded to lodge their enquiries together with their detailed contact information as they deem appropriate for prompt responses from the Company.

As a channel to promote effective communication, the Group maintains a website at www.chinarzfh.com where information about the Company’s announcements, financial information and other information are posted.

– Procedures for Shareholders to put through proposals at general meetings

Pursuant to Article 113 of the Articles, no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Company’s headquarter. The period for lodgment of the notices required under the Articles will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

The Board of the Company, hereby presents the annual report and the audited consolidated financial statements of the Group for the Reporting Period to the Shareholders.

PRINCIPAL ACTIVITIES OF THE GROUP

The Group is principally engaged in the provision of (1) leasing services in the PRC and (2) value-added services including due diligence, credit investigation and debt collection services in Hong Kong, the PRC and Singapore. The principal activities and other particulars of its subsidiaries are set out in note 43 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated statement of profit or loss and other comprehensive income in this annual report.

The Board does not recommend the payment of any final dividend for the year ended 31 March 2025.

SUMMARY OF FINANCIAL INFORMATION

A summary of the financial results and the assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements, are set out on page 3. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in equipment are set out in note 16 to the consolidated financial statements.

BANK BORROWINGS

Particulars of bank borrowings of the Group as at 31 March 2025 are set out in note 27 to the consolidated financial statements.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2025.

RESERVES AND DISTRIBUTABLE RESERVES

As at 31 March 2025, details of movements in the reserves of the Group are set out in the consolidated statement of changes in equity on page 81. As at 31 March 2025, the Company has no reserves available for distribution to the Shareholders (2024: nil).

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 31 March 2025 are set out in note 35 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the Reporting Period, our five largest customers accounted for approximately 21.2% (2024: approximately 20.3%) of the Group's total revenue and our largest customer accounted for approximately 10.6% (2024: approximately 12.1%) of our total revenue.

Due to the nature of our business, we do not have any significant contribution from major suppliers during the normal course of our business. However, we relied substantially on interest-bearing loans to operate our business and we have established strong relationships with various funding parties including national and local commercial banks; the Company's controlling shareholder and a related company. For details, please refer to the section headed "Exempt Continuing Connected Transaction" and notes 28 and 29 to the consolidated financial statements.

Report of Directors

To the best knowledge of the Directors, save as disclosed in this report, none of the Directors or their respective close associates as defined in the Listing Rules or any of the Shareholders of the Company who own more than 5% of the Company's issued shares has any interest in any of the Group's five largest customers or suppliers or lenders.

DIRECTORS AND SERVICE CONTRACTS

During the Reporting Period and up to the date of this report, the composition of the Board are as follows:

Executive Director

Ms. Wong Emilie Hoi Yan

Non-executive Directors

Mr. Lau Hiu Fung

Ms. Wong Jacqueline Yue Yee

Ms. Wong Michelle Yatyee

Mr. Wong Ming Bun David

Independent Non-executive Directors

Mr. Lie Chi Wing

Mr. Liu Chi Wai (appointed on 30 December 2024)

Mr. Ng Wing Chung Vincent (resigned on 30 September 2024)

Mr. Ng Yuk Yeung Paul

The biographical details of the Directors are set out on pages 5 to 8 of this annual report.

Each of the Directors is subject to retirement by rotation in accordance with the Articles. Pursuant to Article 108 of the Articles, Mr. Lau Hiu Fung and Ms. Wong Jacqueline Yue Yee will retire by rotation at the forthcoming 2025 annual general meeting (the "**2025 AGM**"). In additions. Mr. Liu Chi Wai who was appointed by the Board on 30 December 2024 shall hold office until the 2025 AGM, pursuant to Article 112 of the Articles. All of the retiring Directors, being eligible and offering themselves for re-election at the 2025 AGM. Details of the retiring Directors standing for re-election are set out in the circular to the Shareholders sent together with this annual report.

Each of the Independent Non-executive Directors, has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules. The Board considers all of the Independent Non-executive Directors are independent.

None of the Directors being proposed for re-election or election at the 2025 AGM has or will have a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Details of Directors' emoluments by name are set out in note 13 to the consolidated financial statements.

INDUSTRY OVERVIEW

During the Reporting Period, the complex and volatile domestic and external environment has become more complicated and severe, bringing many uncertain impacts to the Group. The recovery and development of the domestic economy still remains uncertain, as well as the overseas inflation remains at a high level and the global economy is facing increasing downward pressure. The leasing industry is also affected by the change of market regulations, macro-environmental fluctuations, economic growth slowdown and other factors leading to decline in business scale. While strict market regulations have shown effects in the growth of the industry, however, the gradual refinement of regulations will result in the standardization and improvement of the operating environment which will continue to contribute to the high-quality and sustainable development of the real economy.

In facing these uncertainties, the Group strived to overcome these difficulties with unified efforts in order to maintain steady growth amid the turbulent external environment and fierce market competition. At the same time, the Group has continued to maintain its strategic determination to focus on the diversification of income sources and associated business risks in order to enhance synergies across multiple platforms within our ecosystem. The Group firmly believes that leasing industry has significant potential in serving the economy and contributing sustainable revenue to the Group.

BUSINESS OVERVIEW

The Group is principally engaged in (1) the provision of leasing services in the PRC and (2) related value-added services including the provision of due diligence, credit investigation and debt collection services in Hong Kong, the PRC and Singapore.

FINANCIAL REVIEW

The following discussion and analysis pertain to the financial information of the Group.

Revenue

For the year ended 31 March 2025, the Group recorded revenue of approximately HK\$83.5 million (2024: approximately HK\$89.0 million), representing a decrease of approximately 6.2% from the previous corresponding period ended 31 March 2024. The decrease in revenue was due to the decrease in income from debt collection services, which was affected by factors such as the recoverability of the debtors entrusted by the customers and the timeline of repayments. To complement the development of the Group's leasing service, the Group provides value-added services including credit assessment, investigation and debt recovery services, so as to further strengthen the Group's leasing operations by creating an ecosystem which in turn contributed approximately HK\$42.8 million to the Group's revenue during the Reporting Period. Services fees for due diligence and credit investigation services are charged based on the agreed upon scope covering the number of search targets, search period and the complexity of obtaining the relevant search information. Debt collection services are provided to clients with past due commercial accounts receivables. Substantially all revenue derived from the provision of debt collection services are recognised upon successful recovery of past due receivables.

Staff costs

Staff costs of the Group amounted to approximately HK\$27.2 million for the Reporting Period, representing a decrease of approximately 4.7% from approximately HK\$28.5 million recorded in the previous corresponding period ended 31 March 2024. This was mainly due to decrease in the number of staffs in the Group.

Report of Directors

Other operating expenses

During the Reporting Period, other operating expenses of the Group amounted to approximately HK\$14.6 million, representing a decrease of approximately 23.0% from approximately HK\$19.0 million recorded in the previous corresponding period ended 31 March 2024. This was mainly due to the Group's cost-saving measures.

Provision of impairment losses and expected credit losses

Provision of impairment losses and expected credit losses is approximately HK\$2,000 for the Reporting Period, as compared to reversal of impairment losses and expected credit losses recorded in the previous corresponding period ended 31 March 2024 of approximately HK\$0.3 million.

The complex and volatile domestic and external environment has continued to cause significant material adverse impacts on the businesses of the customers of the Group (mostly SMEs) and hence the financial performance of the financial leasing business of the Group and in particular:

- (i) The subsidies of the pandemic and the recovery of economy upon the full-lifting of travel restrictions during 2023 has not been as optimistic as expected. The effects have continued to cause significant material adverse effects on the businesses and cash flows of the SME customers of the Group and their abilities to make repayments to the Group (affecting recovery of outstanding loans of the Group).
- (ii) the worsening market condition in the PRC and Hong Kong property sector has caused significant material adverse effects on the property value of the properties held by the SME customers of the Group, including their abilities to liquidate these properties or obtain financing on these properties, and hence their abilities to make repayments to the Group (affecting recovery of outstanding loans of the Group);
- (iii) the significant decline in the value of the proposed collaterals (a large number of which are properties) has reduced the number of eligible customers for the financial leasing business of the Group (affecting approval of new loans of the Group);
- (iv) the significant decline in the value of the collaterals held by the Group also adversely affected the Group's ability to liquidate such collaterals due to the diminishing number of potential purchasers at the intended price level (affecting recovery of outstanding loans of the Group); and
- (v) the worsening business conditions of the SME customers of the Group coupled with the effect of rapidly declining value of the collaterals and proposed collaterals have posed significant challenges for all money lender businesses in the PRC, including the Group in the past few years.

Other income

Other income of the Group mainly comprised of bank interest income and government subsidies. During the Reporting Period, the other income of the Group amounted to approximately HK\$0.4 million, representing an increase of approximately 13.8% from approximately HK\$0.3 million recorded in the previous corresponding period ended 31 March 2024. Such increase was mainly due to the increase in government subsidies accounted for as financial support in current year.

Finance costs

Finance costs of the Group comprised of interest on interest on other borrowing, interest on bank borrowings, imputed interest on convertible bonds, imputed interest on loan note, interest on lease liabilities, interest on amount due to the non-controlling substantial shareholder of the Alpha & Leader Group, interest on amount due to a related company and interest on amount due to a shareholder. During the Reporting Period, finance costs of the Group amounted to approximately HK\$2.3 million, representing a decrease of approximately 55.4% from approximately HK\$5.2 million in the previous corresponding period ended 31 March 2024. This was mainly due to decrease in the Group's borrowings as a result of capitalisation of certain loans advanced by Goldbond to the Company during the previous corresponding period ended 31 March 2024.

As at 31 March 2025, the outstanding bank borrowings guaranteed by related parties amount to nil (2024: nil) and the guarantee fee paid to the related parties during the Reporting Period amount to nil (2024: nil).

Loss for the year

Loss for the year ended 31 March 2025 of the Group amounted to approximately HK\$6.8 million, representing a decrease of approximately 10.6% from approximately HK\$7.6 million loss recorded in the previous corresponding period ended 31 March 2024. This was mainly due to implementation of active cost-saving measures.

Dividend

The Company has adopted a dividend policy on payment of dividends. The Company does not have any pre-determined dividend payout ratio. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out in the dividend policy, dividends may be proposed and/or declared by the Board during a financial year and any final dividend for a financial year will be subject to the shareholders' approval.

The Board does not recommend the payment of any final dividend for the year ended 31 March 2025.

Liquidity, financial resources and capital resources

As at 31 March 2025, the aggregate sum of the Group's bank balances and cash and short-term bank deposits amounted to approximately HK\$8.0 million (2024: approximately HK\$7.0 million), representing an increase of approximately HK\$1.0 million compared to 31 March 2024. This was due to a combination of multiple effects including the Group's strategy to promote business, collection of past due financial assets and use of internal funding. The working capital deficiency (current assets less current liabilities) of the Group were approximately HK\$39.6 million (2024: approximately HK\$47.9 million) and the total equity of the Group were approximately HK\$18.0 million (2024: approximately HK\$17.7 million).

As at 31 March 2025, the Group's bank borrowings with maturity within one year amounted to approximately HK\$0.8 million (2024: approximately HK\$1.3 million) and the Group's bank borrowings with maturity exceeded one year amounted to nil (2024: approximately HK\$0.8 million).

Our gearing ratio (total debt/total equity) as at 31 March 2025 was approximately 239% (2024: approximately 211%).

Report of Directors

Charges on group assets

As at 31 March 2025, the Group's bank borrowings with carrying amount of nil (2024: nil) were granted by banks in the PRC and secured by charges over receivables arising from sale and leaseback arrangements of the Group with an aggregate carrying value of nil (2024: nil).

As at 31 March 2025, the Group's bank borrowings with carrying amount of nil (2024: nil) were secured by bank deposits of nil (2024: nil).

Capital commitments

As at 31 March 2025, the Group has no capital commitments (2024: nil).

Employees and remuneration policy

As at 31 March 2025, the Group had 125 staff located in Hong Kong, the PRC and Singapore, and their remuneration is determined based on the employees' performance, experience and prevailing industry practices. The Group also offers other benefits such as medical insurance, retirement schemes and training subsidies to its employees. In addition, the Group has set up a share option scheme for the purpose of providing incentives to the eligible employees.

In Hong Kong, we participate in a Mandatory Provident Fund Scheme (the "**MPF Scheme**") established under the Mandatory Provident Fund Schemes Ordinance (Cap 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group and are administered by an independent trustee. Under the MPF Scheme, the Group and its employees are each required to make a contribution to the MPF Scheme at 5% of the employees' relevant monthly income subject to a cap, which is currently set at HK\$1,500.

PRC employees are covered by the mandatory social security schemes operated by the PRC government. The Group is required by PRC laws to contribute a certain percentage of payroll costs to the retirement benefits scheme to fund the benefits. There were no forfeited contributions utilised to offset employers' contributions for the Reporting Period.

Singapore employees are covered by the mandatory social security savings scheme funded by contributions from employers and employees, the Central Provident Fund. The Group and its employees are each required to contribute a certain percentage of payroll costs to fund the mandatory social security savings schemes. There were no forfeited contributions utilized to offset employers' contributions for the Reporting Period.

RISK FACTORS AND MANAGEMENT

Credit risk of small medium enterprises ("SMEs") in the PRC

Our business is positioned to fulfill the financing needs of SMEs and individual customers, the sustainability of our business and future growth depend on our ability to manage our credit risk effectively. The Group is committed to mitigate its risk exposures and diversification of business risks throughout liquid and smaller loan size. As such, any deterioration in our asset quality or collectability of our lease receivables and receivables arising from leasing arrangements could adversely affect our business, prospects and financial conditions. Due to the continuation of downturn economic pressure, it is inevitable for some corporations to be faced with a greater risk of default, especially the SMEs. As most SMEs customers in general have less financial resources in terms of capital or fund raising capability when compared to larger corporations, and as such they are more likely to be adversely affected by changes in market conditions, which poses an increasing risk of default to our Group. Our management has been monitoring the changes of our customers' credit risk, and we had, in fact, in some cases requested additional collaterals and pledged assets from customers as a form of additional precautionary measures. We will continue to closely monitor the value of the related leased assets and the collaterals securing our leases in order to take effective additional precautionary measures to minimize our risk of exposure to such credit risks.

Risk relating to funding sources and interest rate

Our business operation relies substantially on interest-bearing bank loans. We have incurred, and expect to continue to incur, a significant amount of interest expenses relating to our borrowings. Accordingly, fluctuations in interest rates have affected and will continue to directly and immediately affect our financing costs and, ultimately, our profitability and results of operations. However, our management will continue to closely monitor the changes in interest rate and in turn charge our clients by the same amount in order to minimize our risk of exposure to such interest rate risks.

Foreign exchange risk

Our Group is exposed to foreign currency risk primarily with respect to Renminbi (“RMB”), Singapore dollars and United States dollars denominated transactions, fluctuations in exchange rates may nonetheless in the future adversely affect the value of our net assets and earnings. In particular, distributions to holders of the shares of the Company are made in Hong Kong dollars. The Group currently does not have a foreign exchange hedging policy to eliminate the currency exposures. However, our management will continue to monitor the related foreign currency exposure closely and will consider appropriate measures should the need arise.

Liquidity risk

The Group is exposed to liquidity risk in respect of settlement of trade payables, accruals and other payables and bank borrowings and its financing obligations, and also in respect of its cash flow management. The Group’s policy is to regularly monitor its liquidity requirements to ensure that the Group maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

CONTINGENT LIABILITIES

As at 31 March 2025, the Group did not have any material contingent liabilities (2024: nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group from time to time is exploring investment opportunities that would benefit the Shareholders as a whole. Saved as disclosed in this annual report, the Group did not have other material acquisition or disposals by the Group during the Reporting Period and up to the date of this annual report.

MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

Acquisition of Ultimate Harvest Global Limited

On 26 October 2021, the Company entered into the sale and purchase agreement (as supplemented on 6 December 2021) with Goldbond Group Holdings Limited (“**Goldbond**”), pursuant to which the Company has agreed to purchase, and Goldbond has agreed to sell, 51 issued shares of Ultimate Harvest Global Limited (“**UMH**”), representing 51% of the total issued share capital of UMH (the “**UMH 51% Acquisition**”). UMH and its subsidiaries are principally engaged in the provision of automobile operating lease services in the PRC. The completion of the UMH Acquisition took place on 4 March 2022. Upon completion of the UMH 51% Acquisition, UMH and its subsidiaries have become non wholly-owned subsidiaries of the Company. The UMH 51% Acquisition constituted a major and connected transaction of the Company under the Listing Rules.

For details, please refer to the Company’s circular dated 24 January 2022.

On 30 October 2023, Goldbond (as vendor) and the Company (as purchaser) entered into the sale and purchase agreement, pursuant to which the Company conditionally agreed to acquire, and Goldbond conditionally agreed to sell 49% of the issued share of UMH, at the consideration of HK\$17,500,000, which will be satisfied by the issue and allotment of new Shares to Goldbond (the “**UMH 49% Acquisition**”). The completion of the UMH 49% Acquisition took place on 18 January 2024. Upon completion of the UMH 49% Acquisition, UMH and its subsidiaries have become wholly-owned subsidiaries of the Company. The UMH 49% Acquisition constituted a major and connected transaction of the Company under the Listing Rules.

For details, please refer to the Company’s circular dated 15 December 2023.

Save as disclosed herein, the Group did not have any other material acquisitions or disposals of subsidiaries during the Reporting Period.

Report of Directors

EVENTS AFTER THE PERIOD UNDER REVIEW

Sub-Tenancy Agreement of the Company's principal place of business in Hong Kong

On 12 June 2025, the Company entered into a sub-tenancy agreement (the **"2025 Sub-Tenancy Agreement"**) with Goldbond whereby the Company agreed to lease certain areas located at Unit 3901, 39/F., Tower One, Lippo Centre, 89 Queensway, Hong Kong, the Company's principal place of business in Hong Kong, for a term of twelve months commencing from 1 May 2025 at a monthly rental of HK\$106,930 (exclusive of management fees, rate, government rent and operating expenses). Goldbond is the controlling shareholder of the Company, and therefore a connected person of the Group pursuant to the Listing Rules.

The transactions (the **"2025 Sub-Tenancy Transactions"**) contemplated under the 2025 Sub-Tenancy Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Given the annual rental payable under the 2025 Sub-Tenancy Agreement are less than HK\$3,000,000 and represents less than 5% of the applicable percentage ratios of the Company (as defined in the Listing Rules); and the 2025 Sub-Tenancy Transactions contemplated thereunder are conducted on normal commercial terms or better, the 2025 Sub-Tenancy Transactions are fully exempted from independent shareholders' approval, annual review and all disclosure requirements.

Latest development of the Group

The Group is actively reviewing and processing loan applications, as at 31 May 2025, the Group has entered into various automobile leasing arrangements involving an aggregate of 600 automobiles at the value of approximately RMB56.2 million (equivalent to approximately HK\$61.1 million). Furthermore, the Group is working closely to further expand its financing business in regions across the Greater Bay Area. With the full support from our shareholders, the Group will proactively integrate into the multiple platforms across our ecosystem, thereby expanding our scope of development and generating new impetus for growth to bring new development opportunities to different sectors of the Group.

The above-mentioned recent developments of the Group are in-line with the Group's strategy (i) to further enhance and nurture synergies within our ecosystem in order to further complement the development of the Group's leasing services; (ii) to expand its business outside of Hubei Province in the PRC; (iii) to diversify business risk through liquid assets with generally smaller loan size; and (iv) to provide sustainable sources of revenue to the Group, which in turn will diversify the Group's business risks, enhance its financial performance and create value for the shareholders of the Company.

Save as disclosed above, there is no other change to the Group's business plan regarding its leasing business and the Board believes that the Group's leasing business will improve as and when the general economic environment gradually improve. The Group will also continue to manage and apply various strategies and means to recover its overdue finance lease receivables and take various actions including lawsuit, debt restructuring and other methods that are considered effective and can improve the liquidity position of the Group.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group maintains good corporate governance and operates with integrity through abidance by relevant laws and regulations, industry rules and business ethics. For the Reporting Period and up to the date of this report, the Company had not been and was not a party to any material legal, arbitral or administrative proceedings, and the Company was not aware of any pending or threatened legal, arbitral or administrative proceedings against the Company or any of the Directors which could have a material adverse effect on the Company's operations or financial condition.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OR DEBENTURES

As at 31 March 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in ordinary shares ("Shares") /underlying Shares of the Company

Name of Director	Capacity/ nature of interest	Number of Shares/underlying Shares (Note 1)				Approximate % of issued shares
		Personal Interest	Corporate Interest	Other Interest	Total Interest	
Ms. Wong Emilie Hoi Yan ("Ms. Emilie Wong")	Beneficial owner	4,400,000 (L) (Note 5)	–	–	4,400,000 (L)	0.73%
Mr. Lau Hiu Fung ("Mr. Lau")	Beneficial owner	4,000,000 (L) (Note 5)	–	–	4,000,000 (L)	0.66%
Ms. Wong Jacqueline Yue Yee ("Ms. Jacqueline Wong")	Beneficial owner/ interest of controlled corporations/founder of a discretionary trust and beneficiary of a trust	800,000 (L) (Note 5)	20,234,242 (L) (Note 2)	349,254,474 (L) (Note 3)	370,288,716 (L)	61.02%
	Beneficiary of a trust	–	–	38,503,380 (S) (Note 4)	38,503,380 (S)	6.35%
Ms. Wong Michelle Yatye ("Ms. Michelle Wong")	Beneficial owner/ interest of controlled corporations and beneficiary of a trust	800,000 (L) (Note 5)	20,234,242 (L) (Note 2)	349,254,474 (L) (Note 3)	370,288,716 (L)	61.02%
	Beneficiary of a trust	–	–	38,503,380 (S) (Note 4)	38,503,380 (S)	6.35%
Mr. Kwok Gareth Wing-Sien	Interest of spouse (Note 6)	800,000 (L) (Note 5)	20,234,242 (L) (Note 2)	349,254,474 (L) (Note 3)	370,288,716 (L)	61.02%
	Interest of spouse (Note 6)	–	–	38,503,380 (S) (Note 4)	38,503,380 (S)	6.35%
Mr. Wong Ming Bun David ("Mr. David Wong")	Beneficial owner	4,000,000 (L) (Note 5)	–	–	4,000,000 (L)	0.66%
Mr. Lie Chi Wing ("Mr. Lie")	Beneficial owner	322,000 (L) (Note 5)	–	–	322,000 (L)	0.05%
Mr. Ng Yuk Yeung Paul ("Mr. Paul Ng")	Beneficial owner	300,000 (L) (Note 5)	–	–	300,000 (L)	0.05%

Report of Directors

Notes:

1. The letters “L” and “S” denote the Directors’ long position and short position in the Shares or underlying Shares of the Company respectively.
2. Such interests include 10,127,176 Shares held by Legend Crown International Limited (“**Legend Crown**”) and 10,107,066 Shares held by Plenty Boom Investments Limited (“**Plenty Boom**”). Ms. Jacqueline Wong founded the discretionary trust (the “**Ace York Management Trust**”) of which the property included the entire issued share capital of Legend Crown and Plenty Boom. The trustee of the Ace York Management Trust is Ace York Investment Management Limited (“**Ace York Management**”), a company owned as to 50% by Ms. Jacqueline Wong and 50% by Ms. Michelle Wong, where the beneficiaries are Ms. Jacqueline Wong and Ms. Michelle Wong and their respective issue(s). By virtue of the above, Ms. Jacqueline Wong, Ms. Michelle Wong and Ace York Management are taken to have a duty of disclosure in relation to the said Shares held by Legend Crown and Plenty Boom under the SFO.
3. Such Shares include (i) 143,805,903 Shares held by Perfect Honour Limited (“**Perfect Honour**”), which is a wholly owned subsidiary of Goldbond Group Holdings Limited (“**Goldbond**”); (ii) 205,448,571 Shares directly held by Golobond. Mr. Wong Charles Yu Lung (“**Mr. Wong**”) and Mrs. Wong Fang Pik Chun (“**Mrs. Wong**”), parents of Ms. Michelle Wong and Ms. Jacqueline Wong established the Allied Luck Trust (as defined below) and Ms. Michelle Wong and Ms. Jacqueline Wong established the Aceyork Trust (as defined below), where both Ms. Jacqueline Wong and Ms. Michelle Wong and their respective issue(s) are the beneficiaries of such trusts. The assets of the Allied Luck Trust include all the Goldbond’s shares held by Allied Luck Trading Limited (“**Allied Luck**”, a company wholly-owned by the Allied Luck Trust), being approximately 30.99% of the total issued share capital of Goldbond, (the “**Allied Luck Trust**”), and the assets of the Aceyork Trust included all the Goldbond’s shares held by Ace Solomon Investments Limited (“**Ace Solomon**”) being approximately 26.06% of the total issued share capital of Goldbond. Ace Solomon is a company jointly owned by Allied Golden Investment Limited (“**Allied Golden**”) and Aceyork Investment Limited (“**Aceyork**”), which (in each of the cases of Allied Golden and Aceyork) in turn are wholly-owned by the Aceyork Trust (the “**Aceyork Trust**”). Ms. Jacqueline Wong and Ms. Michelle Wong being beneficiaries of the Allied Luck Trust and the Aceyork Trust, in turn, holds approximately 23.70% of the issued share capital of the Company through Perfect Honour. By virtue of the above, Ms. Jacqueline Wong and Ms. Michelle Wong are taken to have a duty of disclosure in relation to the said Shares held by Perfect Honour under the SFO.
4. On 3 May 2018, Solomon Glory Limited (“**Solomon Glory**”), which is a wholly owned subsidiary of Goldbond, as lender, enforced its rights under the security of a loan agreement pursuant to which Yong Hua International Limited (“**Yong Hua**”) has charged its assets including the shares (the “**Charged Shares**”) of the Company held by Yong Hua by way of floating charge, which has been crystallised into a fixed charge. On 2 July 2019, the Board was notified that an order was issued on 13 March 2019 by The High Court of The Hong Kong Special Administrative Region to the effect that, among others, the Charged Shares shall be sold by China Galaxy International Securities (Hong Kong) Co., Limited (as agent) provided that each of the Charged Shares shall not be sold at a price of more than 10% discount to the average closing prices of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited for the previous 10 consecutive trading days prior to the date of sale of the Charged Shares or any of them.
5. These interests represent the interests in underlying Shares in respect of the share options granted by the Company to these directors.
6. Mr. Kwok Gareth Wing-Sien, the spouse of Ms. Michelle Wong, is deemed to be interested in Ms. Michelle Wong’s interest in the Company.
7. As at 31 March 2025, there was a total of 606,802,571 Shares in issue.

Save as disclosed above, as at 31 March 2025, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OR DEBENTURES

So far as the Directors are aware as of 31 March 2025, the following persons (other than the Directors or chief executive of the Company) had the following interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Interests in the Shares/underlying Shares of the Company

Name of substantial shareholder	Capacity/nature of interest	Number of Shares/ underlying Shares (Note 1)	Total Interest	Approximate % of issued shares
Ms. Wong Jacqueline Yue Yee ("Ms. Jacqueline Wong")	(i) Beneficial owner	800,000 (L) (Note 2)		
	(ii) Interest in controlled corporations/founder of a discretionary trust	20,234,242 (L) (Note 3)		
	(iii) Beneficiary of a trust	349,254,474 (L) (Note 4)	370,288,716 (L)	61.02%
	(iv) Beneficiary of a trust	38,503,380 (S) (Note 5)		6.35%
Ms. Wong Michelle Yatyee ("Ms. Michelle Wong")	(i) Beneficial owner	800,000 (L) (Note 2)		
	(ii) Interest in controlled corporations	20,234,242 (L) (Note 3)		
	(iii) Beneficiary of a trust	349,254,474 (L) (Note 4)	370,288,716 (L)	61.02%
	(iv) Beneficiary of a trust	38,503,380 (S) (Note 5)		6.35%
Mr. Kwok Gareth Wing-Sien	(i) Interest of spouse	370,288,716 (L) (Note 6)		61.02%
	(ii) Interest of spouse	38,503,380 (S) (Note 6)		6.35%
Mr. Wong Charles Yu Lung ("Mr. Wong")	Trustee	349,254,474 (L) (Note 4)		57.56%
	Trustee	38,503,380 (S) (Note 5)		6.35%
Mrs. Wong Fang Pik Chun ("Mrs. Wong")	Trustee	349,254,474 (L) (Note 4)		57.56%
	Trustee	38,503,380 (S) (Note 5)		6.35%

Report of Directors

Name of substantial shareholder	Capacity/nature of interest	Number of Shares/ underlying Shares (Note 1)	Total Interest	Approximate % of issued shares
Goldbond Group Holdings Limited ("Goldbond")	Interest in controlled corporation	143,805,903 (L) (Note 4)		
	Beneficial owner	205,448,571 (L) (Note 4)	349,254,474 (L)	57.56%
	Interest in controlled corporation	38,503,380 (S) (Note 5)		6.35%
Perfect Honour Limited ("Perfect Honour")	Beneficial owner	143,805,903 (L) (Note 4)		23.70%
Solomon Glory Limited ("Solomon Glory")	Having a security interest in shares	38,503,380 (S) (Note 5)		6.35%
Mr. Xie Xiaoqing ("Mr. Xie")	Interest in controlled corporation	12,704,220 (L) (Note 7)		
	Interest in controlled corporation	38,503,380 (L) (Note 8)	51,207,600 (L)	8.44%
	Interest in controlled corporation	38,503,380 (S) (Note 8)		6.35%
Yong Hua International Limited ("Yong Hua")	Beneficial owner	38,503,380 (L) (Note 8)		6.35%
	Beneficial owner	38,503,380 (S) (Note 8)		6.35%

Notes:

1. The letters “L” and “S” denote a person’s/an entity’s long position and short position in the Shares or underlying Shares of the Company respectively.
2. These interests represent the interests in underlying shares in respect of the share options granted by the Company to these Substantial Shareholders.
3. Reference to the 20,234,242 Shares relates to the same block of Shares held by Legend Crown and Plenty Boom. Please refer to Note 2 on page 28 of this report for further details. By virtue of the above, Ms. Jacqueline Wong and Ms. Michelle Wong are taken to have duty of disclosure in relation to these Shares held by Legend Crown and Plenty Boom.
4. The references to the 349,254,474 Shares relate to the same block of Shares held by Perfect Honour and 205,448,571 Shares that Goldbond was directly interest in. Please refer to Note 3 on page 28 of this report for further details. By virtue of the above, Ms. Jacqueline Wong, Ms. Michelle Wong, Mr. Wong, Mrs. Wong, Perfect Honour and Goldbond are taken to have a duty of disclosure in relation to these Shares held by Perfect Honour.
5. The references to the 38,503,380 Shares relate to the same block of Shares held by Solomon Glory. Please refer to Note 4 on page 28 of this report for further details. By virtue of the above, Ms. Jacqueline Wong, Ms. Michelle Wong, Mr. Wong, Mrs. Wong, Solomon Glory and Goldbond are taken to have a duty of disclosure in relation to these Shares held by Solomon Glory.
6. Mr. Kwok Gareth Wing-Sien, the spouse of Ms. Michelle Wong, is deemed to be interested in Ms. Michele Wong’s interest in the Company.
7. Such interests include 2,117,370 Shares held by Capital Grower Limited (“**Capital Grower**”), and 10,586,850 Shares held by Clifton Rise International Limited (“**Clifton Rise**”), which are all companies owned as to 100% by Mr. Xie. By virtue of the above, Mr. Xie is taken to have a duty of disclosure in relation to the said Shares held by Capital Grower and Clifton Rise under the SFO.
8. Such Shares are held by Yong Hua, a company owned as to 100% by Mr. Xie. Please refer to Note 4 on page 28 of this report for further details. By virtue of the above, Mr. Xie is taken to have a duty of disclosure in relation to the said Shares held by Yong Hua under the SFO.
9. As at 31 March 2025, there was a total of 606,802,571 Shares in issue.

Save as disclosed above, as at 31 March 2025, the Directors were not aware of any person who had an interest or short position in the Shares and the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Report of Directors

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the year ended 31 March 2025, the following Directors declared their interest in the following companies with business which may compete or may likely to compete, either directly or indirectly, with the business of the Group:

Name of Directors	Name of Companies	Nature of Business Considered to Compete or Likely to Compete with the Business of the Group	Nature of Interest of the Directors in the Companies
Wong Emilie Hoi Yan	Certain subsidiaries of Rongzhong Group Limited	Investment holding	A director of certain subsidiaries of Rongzhong Group Limited
	Legend Crown	Investment holding	A director
	Plenty Boom	Investment holding	A director
	Yancheng Goldbond	Provision of non-bank financial services to SMEs in the PRC	A director and legal representative
Wong Jacqueline Yue Yee	Legend Crown	Investment holding	Having certain deemed interest and a director
	Plenty Boom	Investment holding	Having certain deemed interest and a director
	Certain subsidiaries and an associate of Goldbond	Provision of finance leasing and factoring services	A director of certain subsidiaries and an associate of Goldbond
Wong Michelle Yatyee	Legend Crown	Investment holding	Having certain deemed interest and a director
	Plenty Boom	Investment holding	Having certain deemed interest and a director
	Goldbond and its subsidiaries	Provision of finance leasing and factoring services	A director of Goldbond and directors of certain of its subsidiaries
Wong Ming Bun David	Goldbond and its subsidiaries	Provision of finance leasing and factoring services	A director of Goldbond and directors of certain of its subsidiaries

Note: As at 31 March 2025, Rongzhong Group Limited is owned as to 40% by Goldbond through Perfect Honour, 40% by Hony Capital through Silver Creation, approximately 12.42% by Yong Hua; approximately 3.79% by Legend Crown and approximately 3.79% by Plenty Boom.

As the Board is independent of the board of directors of the aforesaid companies, and none of the above Directors controls the Board, the Group is capable of carrying on its business independently of, and at arm's length from, the businesses of the aforesaid companies.

DIRECTORS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 42 to the consolidated financial statements, no significant contract to which the Company or any of its subsidiaries was a party and in which a director of the Company had material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

Acquisition of entire equity interest of Genuine Glory Investments Limited

On 31 May 2023, the Company entered into a sale and purchase agreement with Goldbond, the controlling shareholder of the Company and therefore a connected person of the Company and Goldbond Investment Group Holdings Limited, an associate of Goldbond and therefore a connected person of the Company, pursuant to which the Company would acquire the entire issued share capital of Genuine Glory Investments Limited at an aggregate consideration of HK\$2. The acquisition was completed on 2 June 2023.

The acquisition contemplated under the sale and purchase agreement constituted connected transaction of the Company under Chapter 14A of the Listing Rules. Given the consideration paid under the sale and purchase agreement represents less than 0.1% of all the applicable percentage ratios of the Company (as defined in the Listing Rules); and the acquisition contemplated thereunder are conducted on normal commercial terms or better, the acquisition are fully exempted from independent shareholders' approval, annual review and all disclosure requirements.

Completion of the major and connected transaction in relation to the acquisition of the remaining 49% of the issued share capital of the UMH involving the issue of Shares

On 30 October 2023, Goldbond (as vendor) and the Company (as purchaser) entered into the sale and purchase agreement, pursuant to which the Company conditionally agreed to acquire, and Goldbond conditionally agreed to sell 49% of the issued share of UMH, at the consideration of HK\$17,500,000, which will be satisfied by the issue and allotment of new Shares to Goldbond.

For details, please refer to the Company's circular dated 15 December 2023.

On 18 January 2024, the Group completed an acquisition of the remaining 49% equity interest in UMH and Goldbond was allotted and issued 46,052,632 new Shares. Upon completion, UMH and its subsidiaries have become wholly-owned subsidiaries of the Company.

For details, please refer to the Company's announcement dated 18 January 2024.

Supplemental agreement and completion of the major and connected transaction in relation to the disposal of the entire issued share capital of Rongzhong Capital and the shareholder's loan

On 2 June 2022, the Company and Mr. Xie Xiaoqing, as the purchaser, entered into a supplemental agreement to amend and modify certain terms of the sale and purchase agreement dated 31 March 2022, pursuant to which, among others, the unaudited financial information of the Rongzhong Capital has been updated to 31 March 2022. Save for the above, the other major terms and conditions of the Sale and Purchase Agreement shall remain effective.

For details, please refer to the announcement of the Company dated 2 June 2022.

On 17 March 2023, the Group completed a disposal of the entire issued share capital of Rongzhong Capital and the shareholder's loan. The Company ceased to hold any interest in Rongzhong Capital and Rongzhong Capital and its subsidiaries ceased to be subsidiaries of the Company.

For details, please refer to the announcement of the Company dated 17 March 2023.

Report of Directors

Completion of the connected transaction in relation to the subscription for new shares under specific mandate

On 30 October 2023, Goldbond (as subscriber) and the Company (as issuer) entered into the subscription agreement, pursuant to which Goldbond conditionally agreed to subscribe for, and the Company conditionally agreed to issue and allot the new Shares at the subscription price of HK\$0.38 in which the aggregate consideration payable by Goldbond will be satisfied by way of setting off against certain loans advanced by Goldbond to the Company (the **“Subscription”**).

For details, please refer to the Company’s circular dated 15 December 2023.

On 18 January 2024, the Group completed the Subscription and Goldbond was allotted and issued 123,490,939 new Shares.

For details, please refer to the Company’s announcement dated 18 January 2024.

Expressions used in the sections headed “Connected Persons”, “Exempt Continuing Connected Transactions”, “Non-Competition Deeds” and “Deed of Undertaking” shall have the same meanings given to them in the Company’s Prospectus dated 18 January 2016.

CONTINUING CONNECTED TRANSACTIONS

CONNECTED PERSONS

Rongzhong Group Limited

As at 31 March 2025, Goldbond, as our Controlling Shareholder is indirectly interested in 40.00% of the issued share capital in Rongzhong Group. Rongzhong Group is therefore a joint venture of Goldbond. Pursuant to the Listing Rules, Rongzhong Group, together with Wuhan Jinhong Investment Guarantee Company Limited 武漢金弘投資擔保有限公司 (**“Wuhan Jinhong”**), an indirect wholly-owned subsidiary of Rongzhong Group, are connected persons of the Company.

Wuhan Rongzhong Internet Technology Company Limited, Rongzhong Capital Investments Group Limited

Mr. Xie, one of the Substantial Shareholders of the Company, is directly interested in 100.00% and 98.21% respectively of the issued share capital of Wuhan Rongzhong Internet Technology Company Limited 武漢融眾網絡技術有限公司 (**“Rongzhong Internet”**), and Rongzhong Capital Investments Group Limited 融眾資本投資集團有限公司 (**“Rongzhong Capital Investments”**). Rongzhong Capital Investments (also referred to as joint venture of a major shareholder in the consolidated financial statements) wholly-owns Wuhan Rongzhong Investment Guarantee Company Limited 武漢欣眾融企業管理有限公司 (formerly known as 武漢市融眾投資擔保有限公司) (**“Wuhan Rongzhong”**). Pursuant to the Listing Rules, Rongzhong Internet, Rongzhong Capital Investments and Wuhan Rongzhong are associates of Mr. Xie and therefore are connected persons of the Company.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

Trademarks Licence Agreements

On 15 June 2015, Rongzhong Capital, our wholly-owned subsidiary disposed on 17 March 2023, entered into trademarks licence agreements (the **“Trademarks Licence Agreements”** and each, a **“Trademarks Licence Agreement”**) with each of Rongzhong Group and Rongzhong Internet pursuant to which Rongzhong Group and Rongzhong Internet agreed to grant a licence, on a perpetual and nonexclusive basis, to Rongzhong Capital and its affiliates at a consideration of HK\$1.00 and RMB1.00, respectively to use certain trademarks registered in their names as set out in Appendix IV of the Company’s Prospectus dated 18 January 2016 subject to the terms and conditions therein. During the term of the Trademarks Licence Agreements, Rongzhong Capital and its affiliates are entitled to use the trademarks listed therein as their corporate logos and for conducting any of their publicity related activities. Further, Rongzhong Group and Rongzhong Internet will not transfer or license or grant any rights to use the trademarks listed in the Trademarks Licence Agreements to any third party whose business competes or is likely to compete with the business of Rongzhong Capital or dispose such trademarks unless prior written consent is obtained from Rongzhong Capital. Where Rongzhong Group and Rongzhong Internet obtain registration of any other trademarks containing the words “RONGZHONG”, “RONG ZHONG”, “融眾” or “融众” under their name, Rongzhong Group and Rongzhong Internet will license the use of such other registered trademarks to Rongzhong Capital and its affiliates by entering into a separate licence agreement with Rongzhong Capital on the same terms and conditions as the Trademarks Licence Agreements. The Trademarks Licence Agreements are terminable in the event that the trademarks listed therein have been legally transferred to Rongzhong Capital or upon the winding-up or liquidation of Rongzhong Capital or otherwise agreed by the parties in writing.

Finance Lease Guarantee Agreements

For finance lease arrangements, in addition to the leased assets, we normally require our customers to provide additional securities to further secure their lease payment obligations under the finance leases, which include, among others, certain assets that we may not be able to register as the pledgee or mortgagee under the current practice of the PRC to take up as security (the “**Additional Assets**”) as we are a wholly-foreign invested financial leasing entity. In this regard, Rongzhong International Financial Leasing Co., Ltd (“**Rongzhong PRC**”), our wholly-owned subsidiary disposed on 17 March 2023, entered into (i) one finance lease guarantee supplemental agreement with Wuhan Rongzhong on 12 November 2020 and (ii) one finance lease guarantee agreement with Wuhan Jinhong on 18 May 2016, (collectively as the “**Finance Lease Guarantee Agreements**” and each a “**Finance Lease Guarantee Agreement**”) pursuant to which Wuhan Rongzhong and Wuhan Jinhong acted as a guarantor in favor of Rongzhong PRC in respect of the lease payment obligations of certain customers of Rongzhong PRC under their respective finance lease agreement entered into with Rongzhong PRC. In return, these customers would pledge their Additional Assets to Wuhan Rongzhong and Wuhan Jinhong as securities to further secure their payment obligations to Wuhan Rongzhong and Wuhan Jinhong under separate agreements entered into with Wuhan Rongzhong and Wuhan Jinhong respectively. The guarantee obligations of Wuhan Rongzhong and Wuhan Jinhong under the Finance Lease Guarantee Agreements shall continue for a period of one year and two years respectively from the date on which the payment obligations of the customers under the relevant finance lease agreements entered into with Rongzhong PRC have been fulfilled. The guarantee fees (if any) payable to Wuhan Rongzhong and Wuhan Jinhong were borne entirely by the customers of Rongzhong PRC.

Sub-Tenancy Agreement of the Company's principal place of business in Hong Kong

On 1 May 2024, the Company entered into a sub-tenancy agreement (the “**Sub-Tenancy Agreement**”) with Goldbond whereby the Company agreed to lease certain areas located at Unit 3901, 39/F., Tower One, Lippo Centre, 89 Queensway, Hong Kong, the Company's principal place of business in Hong Kong, for a term of twelve months commencing from 1 May 2024 at a monthly rental of HK\$98,616 (exclusive of management fees, rate, government rent and operating expenses). Goldbond is the controlling shareholder of the Company, and therefore a connected person of the Group pursuant to the Listing Rules.

The transactions (the “**Sub-Tenancy Transactions**”) contemplated under the Sub-Tenancy Agreement constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Given the annual rental payable under the Sub-Tenancy Agreement are less than HK\$3,000,000 and represents less than 5% of the applicable percentage ratios of the Company (as defined in the Listing Rules); and the Sub-Tenancy Transactions contemplated thereunder are conducted on normal commercial terms or better, the Sub-Tenancy Transactions are fully exempted from independent shareholders' approval, annual review and all disclosure requirements.

The Loan Agreements

On 21 October 2021, the Company and Goldbond entered into a loan agreement pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK\$50,000,000 to fund the general working capital of the Company, at 6% per annum and maturity on the third anniversary of the first drawdown date (the “**Goldbond Loan Agreement**”). The availability period commenced on the date of the Goldbond Loan Agreement and will end on the earlier of three years after the date of the Goldbond Loan Agreement; or the date on which the facility is fully drawn, cancelled or terminated. As at 31 March 2024, the balance due to Goldbond is nil (2023: HK\$21.3 million).

For details, please refer to the Company's announcement dated 21 October 2021.

Upon completion of the Subscription on 18 January 2024, it shall be deemed as an absolute discharge and full and final satisfaction and settlement of the loans owned by the Company to Goldbond under the Goldbond Loan Agreement; and Goldbond shall no longer have any rights, title, interests or benefits in or in relation to the loans under the Goldbond Loan Agreement.

For details, please refer to the circular of the Company dated 15 December 2023.

Report of Directors

On 1 May 2024, the Company and Goldbond entered into a loan agreement pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK\$18,000,000 to fund the general working capital of the Company, at 6% per annum and maturity on the third anniversary of the first drawdown date (the “**2024 Goldbond Loan Agreement**”). The availability period commenced on the date of the 2024 Goldbond Loan Agreement and will end on the earlier of three years after the date of the 2024 Goldbond Loan Agreement or the date on which the facility is fully drawn, cancelled or terminated. As at 31 March 2025, the balance due to Goldbond is HK\$6.7 million.

On 1 July 2020 and 15 November 2021, a loan agreement and a supplementary loan agreement were entered between a non-wholly owned subsidiary of the Company and Shanghai Nanlang Automobile Technology Co., Ltd. (formerly known as Shanghai Nanlang Finance Lease Co., Ltd., “**Shanghai Nanlang**”), an indirectly owned subsidiary of Goldbond, (the “**SHNL Loan Agreements**”), with carried interest at 4.5% per annum and repayable on the third anniversary from the first date of loan drawn. As at 31 March 2025, the balance due to related party is approximately HK\$34.3 million (2024: HK\$32.8 million), the corresponding interest expenses were recognized as “Finance costs” in the consolidated statement of profit or loss and other comprehensive income for the Reporting Period. On 18 June 2024, the Group entered into a supplementary agreement with Shanghai Nanlang and extended the maturity date of the loan facilities to 2 July 2025 at 5.0% interest rate per annum.

For details, please refer to the Company's circular dated 24 January 2022.

On 15 March 2024, Genuine Glory Investments Limited (“**Genuine Glory**”), a wholly-owned subsidiary of the Company and BBMSL Limited (“**BBMSL**”), a substantial shareholder of a non-wholly owned subsidiary of the Company, entered into a loan agreement pursuant to which BBMSL agreed to make available to Genuine Glory an unsecured term loan facility in an aggregate amount of HK\$10,000,000 to fund the grants of loans and/or provision of finance lease to customers of Genuine Glory, at 6% per annum and maturity on 18 months after the end of the available period (the “**BBMSL Loan Agreement**”). The availability period commenced on the date of the BBMSL Loan Agreement and will end on the earlier of three years after the date of the BBMSL Loan Agreement; or the date on which the facility is fully drawn, cancelled or terminated. As at 31 March 2025 and 2024, the balance due to BBMSL, is nil.

Each of the Trademarks License Agreements, the Finance Lease Guarantee Agreements and the Sub-Tenancy Agreement are conducted on favorable terms to the Group and all applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules are either less than 0.10% or less than 5% and the total consideration is less than HK\$3,000,000. Accordingly, each of the Trademarks License Agreements, the Finance Lease Guarantee Agreements and the Sub-Tenancy Agreement qualified as a continuing connected transaction exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

As the financial assistances received by the Group under the 2024 Goldbond Loan Agreement, the SHNL Loan Agreements and the BBMSL Loan Agreement are conducted on normal commercial terms or better without security over the assets of the Group, each of these transactions qualified as a connected transaction fully exempt from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

The Independent Non-Executive Directors of the Company have confirmed that the Trademark License Agreement and the Finance Lease Guarantee Agreements for the year ended 31 March 2025 to which the Group was a party:

- (1) had been entered into, and the agreements governing those transactions were entered into, by the Group in the ordinary and usual course of business;
- (2) had been entered into either:
 - (i) on normal commercial terms or better; or
 - (ii) if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than those available to or (if applicable) from independent third parties; and

- (3) had been entered into in accordance with the relevant agreements governing those transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

NON-COMPETITION DEEDS

In order to protect the Group from potential competition from our Shareholders, on 18 December 2015, the Company had entered into a deed of non-competition with each of the following parties respectively (collectively as the “**Deeds of Non-Competition**”):

- a. Rongzhong Group (other than through a member of the Group);
- b. Mr. Wong, Mrs. Wong, Legend Crown and Plenty Boom (except for Rongzhong Group and its close associates); and
- c. Mr. Xie, Yong Hua, Clifton Rise and Capital Grower (except Rongzhong Group and its close associates),

collectively referred to as the “Covenantors” and each a “Covenantor”.

Each of the Covenantors has given an irrevocable non-competition undertaking in favour of the Company pursuant to which each of the Covenantors, among other matters has irrevocable and unconditionally undertaken to the Company on a several basis that at any time during the Relevant Period (as defined below), it shall, and shall procure that its subsidiaries and/or close associates:

- (i) not, directly or indirectly, be interested or involved or engaged in or acquire or hold any right or interest (in each case whether as a director or shareholder, other than being a director or shareholder of the Group, partner, agent or otherwise and whether for profit, reward or otherwise) in any business which competes or is likely to compete directly or indirectly with the finance leasing business currently and from time to time engaged by the Group including but not limited to the provision of direct leasing, sale leaseback and financial leasing related advisory services to SMEs in the PRC (the “**Restricted Activity**”) (other than the small loan business operated by Yancheng Goldbond and Rongzhong Credit (Hubei) Limited (the “**Rongzhong Small Loan**”), unless pursuant to the exception set out below;
- (ii) not to solicit any existing employee of the Group for employment by it or its subsidiaries and/or close associates (as applicable) (excluding members of the Group);
- (iii) not, without the consent from the Company, make use of any information pertaining to the business of the Group which may have come to its knowledge in its capacity as our Controlling Shareholder or Director for any purpose of engaging, investing or participating in any Restricted Activity;
- (iv) if there is any project or new business opportunity that relates to the Restricted Activity, refer such project or new business opportunity to the Group for consideration;
- (v) not to invest or participate in any Restricted Activity unless pursuant to the exceptions set out below; and
- (vi) to procure its subsidiaries and/or its close associates (as applicable) (excluding members of the Group) not to invest or participate in any project or business opportunity of the Restricted Activity, unless pursuant to the exceptions set out below.

Report of Directors

New business opportunity

Save for the situations as set out in the paragraphs headed “Customer referral obligation” and “Conflict check obligation”, each of the Covenantors has unconditionally and irrevocably undertaken to us that in the event that it or its subsidiaries and/or its close associates (as applicable) (other than members of the Group) (the “**Offeror**”) is given or identified or offered any business investment or commercial opportunity which directly or indirectly competes, or may lead to competition with the Restricted Activity (the “**New Opportunities**”), it will and will procure its subsidiaries and/or its close associates to refer the New Opportunities to us as soon as practicable in the following manner:

- (i) each of the Covenantors is required to, and shall procure its subsidiaries and/or its close associates (as applicable) (other than members of the Group) to refer, or to procure the referral of, the New Opportunities to us, and shall give written notice to us of any New Opportunities containing all information reasonably necessary for us to consider whether (a) such New Opportunities would constitute competition with the Restricted Activity; and (b) it is in the interest of the Group and the Shareholders as a whole to pursue such New Opportunities, including but not limited to the nature of the New Opportunities and the details of the investment or acquisition costs (the “**Offer Notice**”); and
- (ii) the Offeror will be entitled to pursue the New Opportunities only if (a) the Offeror has received a notice from us declining the New Opportunities; or (b) the Offeror has not received such notice from us within 10 business days from our receipt of the Offer Notice. If there is a material change in the terms and conditions of the New Opportunities pursued by the Offeror, the Offeror will refer the New Opportunities as so revised to us in the manner as set out above.

Upon receipt of the Offer Notice, we will seek opinions and decisions from the Independent Non-executive Directors who will form an independent board committee (the “**Independent Board Committee**”) as to whether (a) such New Opportunities would constitute competition with the Restricted Activity; and (b) it is in the interest of the Group and the Shareholders as a whole to pursue the New Opportunities.

On or about 12 June 2020, the Company received a notice (the “**Notice**”) issued by certain covenantors with reference to a deed of non-competition dated 18 December 2015 (the “**Deed of Non-Competition**”) containing particulars of two proposed acquisitions. Upon receipt of the Notice, the Company formed an independent board committee in accordance with the Deed of Non-competition. For details, please refer to the Company’s announcement dated 2 July 2020.

Right of first refusal

Where any of the Covenantors (or any of its subsidiaries and/or its close associates) (as applicable) (other than members of the Group) has acquired a business investment or an interest in any entity relating to the Restricted Activity (the “**Acquired Entity**”) pursuant to the paragraph headed “New business opportunity” above, the relevant Covenantor and/or its subsidiaries and/or its close associates (as applicable) (other than members of the Group) shall provide us with a right of first refusal (the “**Right of First Refusal**”) for a duration of one month to acquire any such Restricted Activity if they intend to dispose any equity interest in the Acquired Entity. Where the Independent Board Committee of the Company decides to waive the Right of First Refusal by way of written notice, the relevant Covenantor and/or its subsidiaries and/or its close associates (as applicable) may offer to sell such Restricted Activity to other third parties on such terms which are no more favorable than those made available to the Group. In deciding whether to exercise the above options, the Directors will consider various factors including the purchase price, the nature of the products and services and their values and benefits, as well as the benefits that they will bring to the Group.

Customer referral obligation

If a significant amount of the collateral provided by any of the new customer of Rongzhong Small Loan are within the scope of the Permitted Leased Assets, Rongzhong Group shall procure Rongzhong Small Loan to use its best endeavors to conduct due diligence on the new customer before entering into any agreement with the new customer to check whether (i) the ownership of the collateral are capable of being transferred and (ii) the new customer is willing to transfer the ownership of the collateral as security for loan until repayment of loan, which are essential to the creation of a lessee-lessor relation under finance leasing, and if items (i) and (ii) are satisfied, Rongzhong Group shall procure Rongzhong Small Loan to refer the new customer to the Group by written notice (the “**Written Notice**”) and that Rongzhong Small Loan will be entitled to enter into an agreement with the new customer only if (a) it has received a notice from us declining to provide services to the new customer; or (b) it has not received such notice from us within three (3) business days from our receipt of the Written Notice (the “**Customer Referral Obligation**”).

Conflict check obligation

Rongzhong Group shall procure Rongzhong Small Loan to check the customers list provided by the Company to it on a monthly basis to ensure that the new customer is not one of the Group’s existing customers before entering into any agreement with the new customer. In the event that the new customer is one of the Group’s existing customers, Rongzhong Group shall procure Rongzhong Small Loan to inform us of the proposed transaction (including the particulars of the proposed transaction and the new customer) and that Rongzhong Small Loan shall refrain from entering into an agreement with the new customer until and unless the Risk Management Committee has completed an evaluation on the new customer and is satisfied that the Group is not qualified to provide finance leasing services to the new customer (the “**Conflict Check Obligation**”).

The Deeds of Non-competition shall not prevent each of the Covenantors and/or its subsidiaries and/or close associates (as applicable) to hold or have interest in shares or other securities in any company which conducts or is engaged in any Restricted Activity (the “**Subject Company**”) provided that:

- (a) the aggregate interests or number of shares held by the Covenantor (including its subsidiaries and/or its close associates) (as applicable) does not exceed 5.00% of the issued share capital of the Subject Company; and
- (b) neither the Covenantor nor its subsidiaries and/or close associates (as applicable) has board or management control of the Subject Company.

For the above purpose, the “Relevant Period” means the period commencing from the Listing Date and shall expire on the earlier of the dates below:

- (i) in respect of:
 - (a) Mr. Wong, Mrs. Wong, Plenty Boom and Legend Crown, the date on which Mr. Wong and Mrs. Wong, individually or taken as a whole, cease to be our Controlling Shareholders;
 - (b) Mr. Xie, Yong Hua, Clifton Rise and Capital Grower, the date on which they and their respective subsidiaries, individually or taken as a whole, cease to be our Substantial Shareholders; and
 - (c) Rongzhong Group, the date on which Goldbond and Perfect Honour cease to be our Controlling Shareholders; or
- (ii) the date on which the Shares cease to be listed on the Stock Exchange or (if applicable) other stock exchange.

Each of the Covenantors confirms that he/she/it has each complied with the terms of his/her/its Deed of Non-competition respectively.

Report of Directors

DEED OF UNDERTAKING

Although the geographic location, approval requirements, potential customers and under the qualification of the currently applicable PRC laws differentiate the Group from the small loan business operated by Yancheng Goldbond, however, in order to ensure that there are no conflicts and competition between the business of the Group and Yancheng Goldbond, the Company and Goldbond have entered into a Deed of Undertaking on 18 December 2015 pursuant to which Goldbond has irrevocably and unconditionally undertaken to the Company that it shall procure Yancheng Goldbond to check the customers list provided by the Company to it on a monthly basis to ensure that Yancheng Goldbond's new customer is not one of the Group's existing customers before entering into agreement with the new customer. Where the new customer is one of the Group's existing customers, Goldbond shall procure Yancheng Goldbond to inform us of the proposed transaction (including the particulars of the proposed transaction and the new customer) to enable the Risk Management Committee to evaluate whether the Group is qualified to take on the new customer and the benefits of such business opportunities will bring to us. In the event that the Group is qualified and is interested in taking on the new customer, both Yancheng Goldbond and the Group may pitch to the new customer and Yancheng Goldbond is only entitled to enter into an agreement with the new customer if the new customer selects its service over those of the Group and or other service providers (if applicable). In the event that the Group is not qualified or is not interested in taking on the new customer, Yancheng Goldbond may proceed to enter into an agreement with the new customer ("**Goldbond's Conflict Check Undertaking**").

In consideration of Goldbond's Conflict Check Undertaking, the Company has also irrevocably and unconditionally undertaken to Goldbond that the Company shall procure Rongzhong PRC to check the customers list provided by Goldbond to it on a monthly basis to ensure that Rongzhong PRC's new customer is not one of Yancheng Goldbond's existing customers before entering into any agreement with the new customer. Where the new customer is one of Yancheng Goldbond's existing customers, the Company shall procure Rongzhong PRC to inform Goldbond of the proposed transaction (including the particulars of the proposed transaction and the new customer) to enable Goldbond to evaluate whether Yancheng Goldbond is qualified to take on the new customer and the benefits of such business opportunities will bring to Goldbond. In the event that Yancheng Goldbond is qualified and is interested in taking on the new customer, both Yancheng Goldbond and Rongzhong PRC may pitch to the new customer and Rongzhong PRC is only entitled to enter into an agreement with the new customer if the new customer selects its service over those of Yancheng Goldbond and or other service providers (if applicable). In the event that Yancheng Goldbond is not qualified or is not interested in taking on the new customer, Rongzhong PRC may proceed to enter into an agreement with the new customer (the "**Company's Conflict Check Undertaking**", together with Goldbond's Conflict Check Undertakings, collectively referred to as the "**Conflict Check Undertakings**").

The Conflict Check Undertakings commence from the listing date and shall expire on the earlier of the dates below:

- (a) the date on which Goldbond or its subsidiaries, individually or taken as a whole, ceases to be a Controlling Shareholder of the Company; and
- (b) the date on which the Shares cease to be listed on the Stock Exchange or (if applicable) other stock exchange.

Save as disclosed in this report, there has been no other transaction, arrangement or contract of significance subsisting during or at the end of the Reporting Period in which a Director or an entity connected with a Director is or was either directly or indirectly materially interested in.

SHARE OPTION SCHEME

On 18 December 2015, the Company conditionally approved and adopted the share option scheme (the “**Share Option Scheme**”) in accordance with the provisions of Chapter 17 of the Listing Rules.

Details of the movements of share options under the Share Option Scheme during the Reporting Period were as follows:

Grantee	Date of grant	Exercise price HK\$	Closing price of the options shares immediately before the date of grant HK\$	Exercise period	Outstanding at 31 March 2024	Lapsed during the year	Outstanding at 31 March 2025
Director							
Ms. Emilie Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	400,000	–	400,000
	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	2,000,000	–	2,000,000
				31/12/2025-4/12/2033	2,000,000	–	2,000,000
Ms. Jacqueline Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	400,000	–	400,000
	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	400,000	–	400,000
Ms. Michelle Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	400,000	–	400,000
	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	400,000	–	400,000
Mr. David Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	4,000,000	–	4,000,000
Mr. Lau	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	1,300,000	–	1,300,000
				31/12/2025-4/12/2033	1,300,000	–	1,300,000
				31/12/2026-4/12/2033	1,400,000	–	1,400,000
Mr. Lie	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	22,000	–	22,000
	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	150,000	–	150,000
				31/12/2025-4/12/2033	150,000	–	150,000

Report of Directors

Grantee	Date of grant	Exercise price HK\$	Closing price of the options shares immediately before the date of grant HK\$	Exercise period	Outstanding at 31 March 2024	Lapsed during the year	Outstanding at 31 March 2025
Mr. Vincent Ng	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	22,000	(22,000)	–
	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	150,000	(150,000)	–
				31/12/2025-4/12/2033	150,000	(150,000)	–
Mr. Paul Ng	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	150,000	–	150,000
				31/12/2025-4/12/2033	150,000	–	150,000
Eligible employees (in aggregate)	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	350,000	–	350,000
Directors of certain subsidiaries of the Company and other employees of the Group (in aggregate)	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	6,900,000	–	6,900,000
				31/12/2025-4/12/2033	7,100,000	–	7,100,000
				31/12/2026-4/12/2033	1,300,000	–	1,300,000
					30,594,000	(322,000)	30,272,000

Note: During the Reporting Period, no share option (2024: 25,000,000 share options) were granted.

Purpose

The purpose of the Share Option Scheme is to provide any director and full-time employees or any member of the Group (the “**Participant(s)**”) with the opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole. The Share Option Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Participants.

Eligible participants to the share option scheme

On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules, the Board may offer to grant an option to any Participant as the Board may in its absolute discretion select.

Grant of options

On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules (in particular as to grant of options to Directors, chief executives and Substantial Shareholders or their respective associates), the Board shall be entitled at any time within 10 years after the date of adoption of the Share Option Scheme to make an offer for the grant of an option to any Participant as the Board may determine. No offer shall be made and no option shall be granted to any Participant after inside information has come to the Company's knowledge until it has announced the information. In particular, the Company shall not grant any option during the period commencing one month immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's results for any year, half year, quarter or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of, its results for any year or half-year under the Listing Rules, or quarter or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. For the avoidance of doubt, the period during which no option shall be granted mentioned above shall include any period of delay in the publication of a results announcement.

Payment on acceptance of option offer

An offer shall remain open for acceptance by the Participant concerned for a period of 14 days from the date of the offer. HK\$1.0 is payable by the Participant to the Company on acceptance of the offer of the option.

Subscription price

The subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine and notified to the Participant in the offer letter at the time of grant of the relevant option but the subscription price shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant.

Option period

The period within which the Shares must be taken up under an option shall be the period of time to be notified by the Board to each Participant at the time of making an offer, which shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed ten years from the date of grant of the relevant option.

Exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may in its absolute discretion determine which shall not be more than ten years from the date of grant of the option and the Board may at its discretion determine the minimum period for which the option has to be held for restrictions before the exercise of the subscription right attaching to an option.

Maximum entitlement

The total number of Shares issued and to be issued upon exercise of the options granted to each Participant (including exercised, cancelled and outstanding options) in any 12 months period shall not exceed 1.00% of the Shares in issue.

Remaining life of the Share Option Scheme

The remaining life of the Share Option Scheme is approximately 6 months.

Report of Directors

Present status of the Share Option Scheme

As at the end of the Reporting Period, there were 30,272,000 share options outstanding and granted under the Share Option Scheme. No share options were agreed to be granted, exercised, cancelled or lapsed under the Share Option Scheme. The Shares which may be issued pursuant to the exercise of the options to be granted under the Share Option Scheme shall not exceed 10% of the aggregate of the Shares in issue as at the date of the approval of the Share Option Scheme, being 40,000,000 Shares in total.

Pursuant to Rule 17.07(2) of the Listing Rules, the number of options available for grant under the scheme mandate at the beginning and the end of the financial year were 9,406,000 and 9,728,000 respectively. The service provider sublimit (as defined in Chapter 17 of the Listing Rules) is not applicable to the Company as it has never granted any options to service providers (as defined in Chapter 17 of the Listing Rules).

EQUITY-LINKED AGREEMENTS

On 4 March 2022, the convertible bonds in the aggregate principal amount of HK\$3,811,500 and at a conversion price of HK\$0.154 were issued by the Company to Goldbond to settle part of the consideration for acquisition of 51% of the total issued share capital of Ultimate Harvest Global Limited.

Further details are disclosed in the circular of the Company dated 24 January 2022 and note 30 to the consolidated financial statements.

PERMITTED INDEMNITY AND PROVISION

Pursuant to Article 191 of the Articles, the Directors, managing directors, alternate Directors, auditors, secretary and other officers of the Company acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices, except such (if any) as they shall incur or sustain through their own fraud or dishonesty, breach of duty, recklessness or breach of trust proven against them.

The Company has taken out and paid the premium and other moneys for the maintenance of insurance for the benefit either of the Company, the Directors and/or other officers to indemnify the Company, the Directors and/or other officers named therein for the purpose against any loss, damage, liability and claim which they may suffer or sustain in connection to any Directors and/or other officers carrying out their duties as Directors and/or officers of the Company. The Directors and/or officers shall not be indemnified where there is any fraud, dishonesty, breach of duty, recklessness or breach of trust proven against them.

CORPORATE GOVERNANCE

The Group is committed to promote good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules. Further information on the Company's corporate governance practices is set out in the Corporate Governance Report contained in this annual report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has dedicated its effort to review and monitor the Group's ESG policy and practices to ensure compliance with the relevant legal and regulatory requirements as described in Appendix C2 to the Listing Rules. During the Reporting Period, there was no material non-compliance with laws and regulations related to the environmental and social aspects. Further information on the Group's ESG performance for the Reporting Period is set out in the ESG report, which is contained in this annual report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors. The Company has made specific enquiries with all of the Directors, each of whom has confirmed that he/she has, throughout the Reporting Period, complied with the required standards set out therein.

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report and based on publicly available information and within the knowledge of the Directors, the Company has sufficient public float as required under Rule 8.08 of the Listing Rules.

CHARITABLE DONATION

During the Reporting Period, the Group made charitable donation amounting to nil.

AUDITOR

Moore will retire and, be eligible, offer itself for re-appointment. A resolution will be submitted to the annual general meeting to re-appoint Moore as the auditor of the Company.

CHANGES IN INFORMATION OF DIRECTORS

During the period under review and up to the date of this report, there is no change in information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

PROSPECTS

Over the past few years, the Group remains committed to continue the expansion of its leasing network in PRC as well as mitigating business risks exposures. With the expansion of leasing services, the integration of unique value-added services and the organization of resources, the Group has evolved from a single financial service company into an integrated financial services provider in the PRC with value-added services in Hong Kong and Southeast Asia so as to facilitate the Group's development and to maintain competitiveness within the industry.

Going forward, the Group is likely to face many challenges due to the continuous unfavourable economic and political conditions. Despite these uncertainties, the Group strive to overcome these difficulties with unified efforts to achieve steady growth and to continue business development through the diversification of income sources and associated business risks. The Group will make further efforts to expand its leasing services in other locations in order to enhance synergies across multiple platforms within our ecosystem, strengthen cooperation, further enrich various financial services, while mitigate and diversify business risk in order to achieve sustainable source of revenue. The Group firmly believes that leasing and other financial services has significant potential in serving the economy, thus contributing sustainable revenue to the Group.

On behalf of the Board

Wong Emilie Hoi Yan

Executive Director

Hong Kong, 26 June 2025

Environmental, Social and Governance Report

ABOUT THE REPORT

This is our annual Environmental, Social and Governance Report (the “**ESG Report**”) for the year ended 31 March 2025 released by China Rongzhong Financial Holdings Company Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), aiming to disclose to the stakeholders the Company’s environmental, social and governance initiatives and accomplishments.

Reporting Standards

The Report is prepared based on the Environmental, Social and Governance Reporting Guide set out in Appendix C2 of the Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reporting Scope

Organizational scope: The ESG Report covers China Rongzhong Financial Holdings Company Limited and its subsidiaries within the scope of consolidated financial statements in the Annual Report. There are no change of reporting scope during the reporting period.

Reporting period: From April 1, 2024 to March 31, 2025.

Release cycle: The ESG Report is issued annually.

Reporting Languages

This ESG report is prepared in traditional Chinese and English. In case of any discrepancies between the Chinese and the English versions, the English version shall prevail.

Reporting Principles

Consistency	The ESG Report clearly illustrates statistics compilation methods and standards of the ESG quantitative KPIs (key performance indicators), and maximizes the consistency of indicators and calculations used for different reporting periods to reflect the tendency of performance level.
Quantification	The ESG Report discloses and explains the quantitative KPIs, including the calculation basis and assumptions.
Balance	The ESG Report discloses facts covering positive information and negative information.
Materiality	The ESG Report selects major issues via materiality analysis and provides key disclosures of environmental, social and governance matters with potential significant impacts on the investors and other stakeholders.

Reliability Assurance

The Board guarantees that there is no false information, misleading statements or material omissions in this report.

Access and Feedback

The electronic version of the report is available on the Company’s official website, www.chinarzfh.com.

Please send us your inquires or suggestions at info@chinarzfh.com.

Environmental, Social and Governance Report

ESG MANAGEMENT STATEMENT OF THE BOARD

Based on the principle of sustainable development, the Group's ESG vision is to "contribute to national development, give back to the society, respect employees and meet customers' needs". With due consideration of our business and demand of various stakeholders, the Group pursues the ESG management strategy covering responsibilities towards industry, investors, employees, and public welfare. The Group enhances its ESG management through the optimization of ESG governance structure, integrating ESG factors into business and strengthening the promotion of ESG concept in order to achieve our ESG vision.

Optimization of ESG Structure

Effective ESG management requires attention from the senior management and the participation of all employees. The Group scaled up ESG management to a strategic level and built a top-down ESG governance structure in January 2022. The Board is responsible for supervising ESG tasks and has set up the "ESG Working Group" in charge of the Group's ESG affairs.

Integrating ESG Factors into Business

Since January 2022, the Group's subsidiary, Alpha & Leader Business Management Consulting (Guangzhou) Ltd. (Alpha & Leader) has become the core platform for ESG business development. Alpha & Leader combines ESG concept with credit reports by virtual of its experience in credit management and due diligence. Therefore, it launches new credit reports and "Green Supply Chain" due diligence services based on its existing credit evaluation model containing ESG factors. Furthermore, the Group is expected to work on operating leasing services in combination with ESG factors. For example, given that the Group's subsidiary in East China mainly operates automobile rental business, the Group has established Management Methods of Automotive Procurement Preference to promote the application of new energy vehicles.

Environmental, Social and Governance Report

Strengthening the Promotion of ESG Concept

To raise ESG awareness of all employees, the Group organized the training program for senior management starting from 2021 and will provide the training for all employees in following years to strengthen ESG-related knowledge and realization of ESG vision. Moreover, the Group actively promotes the ESG concept in its visit to industry associations and customers, driving ESG factors integrating with finance and credit investigation industries. The Group plans to hold/participate in ESG seminars for people in finance or credit investigation industry in following years to explore with professionals the way ahead for ESG governance.

Management of Material Topics

For the management of material topics, the Group stringently safeguarded the bottom line of compliance in close response to the regulatory policies of the financial leasing industry. Measures were also taken to optimize “operation compliance”, “corporate governance” and “risk management”. As China pursues its carbon peak and carbon neutrality goals with more specific measures, the Group will further improve its management in terms of “climate change mitigation and adaptation efforts” and “green operation”.

The Year Ahead

The Group will stay true to the original aspiration, “extending leasing business all over China”, and the mission, contributing to China’s development and economic growth. As an advocate of the Paris agreement and the Hong Kong’s climate action plan 2050, we will devote our Group to creating long-term stable returns for shareholders, providing high-quality products and services for customers, building a harmonious development platform for employees, promoting the transition towards green and low-carbon future, and strengthening the cooperation with communities, so as to promote coordinated development and create a better future.

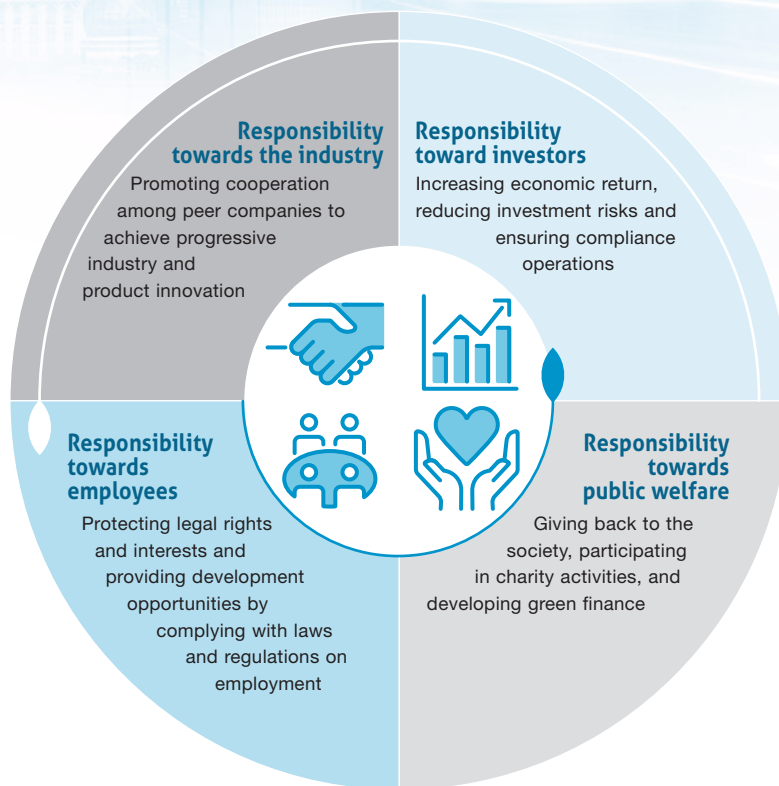
Environmental, Social and Governance Report

ESG MANAGEMENT

ESG Management Structure



ESG Responsibility Model



ESG Development Principles and Targets

The Group is committed to fulfilling all responsibilities for human rights, labor, environment and anti-corruption in its strict compliance with the ten principles of UNGC and has set the following goals through the combination of its own ESG development and SDGs goals adopted by the United Nations:

Goals	Significance	Measures
Gender Equality	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> Eliminating gender discrimination in the recruitment process Balancing the amount of male and female employees Raising the proportion of women in senior management Guaranteeing female employees' welfare during pregnancy and nursing periods
Industry innovation & infrastructure	Build resilient infrastructure, promote sustainable industrialization and foster innovation	<ul style="list-style-type: none"> Integrating technology with finance to advance service digitization
Climate Action	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> Applying more new energy vehicles to the operating leasing business and official vehicle purchase Providing financial leasing services for more green companies Gradually establishing a "green supply chain"

Environmental, Social and Governance Report

Identification and Analysis of Material Topics

Based on the material topics analysis model and the working progress, the Company further identified, assessed and selected material ESG issues with significant impacts on the Company and its stakeholders, and made key disclosure and response in the report.

Analysis Process of Material Topics

Identification	Identify ESG development opportunities faced by the Group by means of understanding macro policies and disclosure standards of the Stock Exchange, and conducting the research on peer companies; Select ESG issues based on the Group's development strategy and ESG practices
Assessment	Assess ESG issues in terms of their significance to the Group and its stakeholders according to interviews with its senior management and key departments, and the questionnaire survey with stakeholders.
Reporting	Build the analysis matrix of material topics based on the assessment results, sort the topics based on their significance, and make detailed disclosure of topics with high materiality in the ESG report.

Communication with Stakeholders

Stakeholders	Communication channels	Topics	Responses
Government and Regulators	Site inspection	Compliance operation	To cooperate in regulators' inspection
	Regular communication and reporting	Risk management	To build a comprehensive risk management system
	Policy implementation	Anti-corruption	To establish a complaint and report mechanism
		Responding to national development strategies	To actively develop related operations under the direction of national development strategies
Shareholders and Investors	General meeting of shareholders	Compliance operation	To increase investors' investment
	Regular information disclosure	Risk management	To build a comprehensive risk management system
	Meetings with investors and analysts	Corporate governance	To build an anti-corruption system
Employees	Training	Diversity, inclusion and equal opportunities	To improve employee training system
	Corporate culture activities	Recruiting and retaining talents	To optimize the welfare system
	Regular interviews with employees	Employees' rights and benefits	To improve performance appraisal and promotion system

Environmental, Social and Governance Report

Stakeholders	Communication channels	Topics	Responses
Customers	Email and customer service hotline	Product quality	To improve product quality
	Regular return visit	Improving customer services	To improve customer feedback system
		Information security and customer privacy protection	
Suppliers/Partners	Cooperation and idea exchanges	Compliance operation	To develop procurement management solutions
	Review on suppliers	Risk management	Bidding and tendering
	Review and evaluation	Supply chain management	
Peer Companies/ Industry Association	Industry conferences	Compliance operation	To participate in industry exchange activities
	Visiting and communicating with associations	Innovative development	
Public and Communities	Volunteer services	Contributions to community	To participate in charity activities
	Charity activities		Green operation

Environmental, Social and Governance Report

Assessment of Material Topics

After investigation, the Group has listed 20 ESG topics that are important for us as below. Considering the opinions of experts, management and stakeholders, we have concluded the following as importance issues.

Topics of high importance to the Group and its stakeholders are marked with symbols ★.

1. Low-carbon emission
2. Efficient use of energy
3. Climate change mitigation and adaption ★
4. Green operation
5. Diversity, inclusion and equal opportunities ★
6. Recruiting and retaining talents ★
7. Supply chain management
8. Service quality ★
9. Improving client services ★
10. Integrating technology with finance ★
11. Anti-corruption ★
12. Contributions to community
13. Information security and customer privacy protection ★
14. Employee health and safety
15. Responding to national development strategies ★
16. Corporate governance★
17. Compliance operation ★
18. Risk management ★
19. Emissions reduction
20. Conservation and efficient use of natural resources

Environmental, Social and Governance Report

CHAPTER 1. REALIZING CARBON PEAK AND CARBON NEUTRALITY GOALS THROUGH GREEN DEVELOPMENT

The Group is committed to the continuous improvement for our environmental sustainability. We strive to achieve our responsibility to reduce the impact of our operations and minimize the consumption of resources and material during the course of our business.

The Group provides services which mainly involves operations within office premises. The Group's "Environmental Office Practices" encompasses our general approach towards controlling environmental impacts of office activities.

During the reporting period, the Group did not find any violations of applicable environmental laws and regulations.

Reducing Greenhouse Gas Emissions

Understanding deeply the impact of global warming on human future, the Group endeavors to reduce greenhouse gases. During the reporting period and the corresponding period in 2024, the Group's greenhouse gas emissions are presented below:

Type of GHG emissions	2025 Equivalent CO ₂ emission (tonnes)	2024 Equivalent CO ₂ emission (tonnes)
Scope 1 Direct emissions	15.38	17.67
Scope 2 Indirect emissions	119.16	123.48
Total	134.54	141.15
Intensity	1.08 tonnes/employee	1.11 tonnes/employee

Notes: Scope 1: Direct emissions by the Group's vehicles, which only include official cars owned by the subsidiary, Alpha & Leader, constituting the only source.

Scope 2: Indirect emissions by outsourced power.

Given that outsourced power is an important source of greenhouse gas, the Group calls for "saving electricity in offices" and requires "disconnecting electricity after staff leave", in order to reduce power waste and potential safety hazards. It adopts the power-saving setup mode for its air conditioners, printers and other office appliances, and automatic idle mode of its computers is equal to or less than 20 minutes. The administration department implements the "daily inspection" system, ensuring electric lights, air conditioners and other electrical appliances not running all night in all offices after work.

For decreasing direct emissions by its own vehicles, the Group reduces face-to-face meetings and the frequency of field services and business trips by means of network conferencing equipment. In addition, it requires its branches or subsidiaries owning official vehicles to introduce the "Management System for Official Vehicles", following the philosophy of "efficient low-carbon travel".

Environmental, Social and Governance Report

Guided by the Group, the subsidiary Alpha & Leader revised the “Vehicle, Field Service and Travel System” on January 1, 2022, following “economical, efficient, convenient and green” principles. Its employees are prohibited from using official vehicles for personal needs, and are advised to take subways and other means of public transportation in rush hours or during field services and business trips in congested areas, further reducing unnecessary resource waste and greenhouse gas emissions.

Green Office

In addition to creating a low-carbon working environment, The Group places high priority on the efficient use of resources. As stipulated in the Group’s “Environmental Office Practice”, the Group strives to improve the efficient use of natural resources, such as minimizing waste streams and emissions and implementing effective recycling program. Practical measures are implemented as follows:

Saving Paper

The Group pursues paperless offices, so it encourages employees to communicate through electronic media, and complete file transfer and cross-regional approval via e-mail, instant message applications, etc. Meanwhile, its employees are advised to print on both sides of paper (if needed) and reduce the amount of paper by adjusting the font size and page layout. They are also recommended to use reusable paper or recycled paper to promote paper utilization. The Group plans to save more paper by applying online collaborative office software and electronic signature functions.

Green Pantry

The Group encourages employees to use reusable utensils, tea sets, and eco-friendly cleaning products (including biodegradable or phosphate-free detergents, refills of hand sanitizer, etc.). It also has posted some signs regarding water saving beside hand washing sinks and water dispensers in the pantry room to remind employees to turn off taps in time. The Group suggests that employees bring lunch boxes instead of ordering takeout in order to reduce plastic packaging. Therefore, its pantry room is equipped with microwaves and refrigerators, which are convenient for employees to store and heat up foods.

Reducing Harmless Wastes

In line with its business condition, the Group only generates such hazardous wastes as a few used batteries, drum cartridges, toner cartridges, and electronic equipment. Its Administration Department collects and stores used batteries, exhausted drum cartridges and toner cartridges properly and regularly throws them to hazardous waste disposal sites. The Information Technology Department disposes electronic equipment, including transporting completely scrapped equipment to recycling site after approval and storing the equipment replaced due to business development for emergency use.

Recycling Materials

Because plastic and paper packaging materials are used in packages, the Group encourages employees to reuse boxes, envelopes, packing and other materials, and requires them not to use excessive packaging materials when sending packages to reduce the consumed packaging materials.

In view of our continuous effort, we target to maintain zero substantial non-compliance case in relation to the emission of exhaust gases, greenhouse gas, waste disposal, energy consumption and water consumption in coming five years.

During the reporting period, the Group was not aware of any breach of non-compliance with the applicable laws and regulations that have significant impact on the Group relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Environmental, Social and Governance Report

Mitigation of Climate Change

Considering the focus of the government, investors and other stakeholders on addressing climate change, the Group identifies climate-related risks and opportunities for its operation via the framework proposed by Task Force on Climate-related Financial Disclosures (TCFD) of Financial Stability Board (FSB), and then takes corresponding measures, so as to effectively control the impact of climate change.

Mitigation of Climate Change

Risks	Description	Potential effects on financial position
Acute physical risks	The Group or its customers may suffer from property damage or interrupted operation due to extreme weather disasters such as typhoons, floods and storms.	Decrease in operating income Increase in operating cost Devaluation of fixed assets
Chronic physical risks	The daily production or operation of the Group or its customers may be affected by chronic weather disasters such as rising temperature and sea levels.	
Policy-related risks	As the government is continuously imposing policies to cope with climate change, customers may be restricted or prohibited from using high-energy-consuming devices.	
Legal risks	The Group and its customers may be in breach of contract or face penalties or litigation for failing to comply with policies and regulations.	
Market risks	The introduction of low-carbon policies may affect the supply and demand in the market, so the Group's customers with high pollution and high energy consumption may face risks relating to pricing and product types, which in turn result in increasing credit risks arising from their weakened solvency.	
Technology risks	The Group's customers with high pollution and high energy consumption may go through the transition to green technology, weakening their solvency and increasing credit risks. The Group's some fixed assets may be replaced due to technology transformation.	
Reputation risks	Climate change is closely related to the future of human beings and has become major concerns of the public. Thus the Group's reputation may be damaged if it fails to make reasonable response to climate change.	

Environmental, Social and Governance Report

In response to the above risks, the Group's response measures are as follows:

- Focusing on climate change issues in the ESG Report
- Taking climate-related indicators into account in the due diligence on customers
- The Board and ESG Committee making greater efforts in mitigating climate change

Climate-related Opportunities

Opportunities	Description	Potential effects on financial position
Market opportunities	With the development of low-carbon economy, if the Group provides financial services for environment-friendly companies developing green technology, the Group will benefit from the growth of such customers.	Increase in operating income Decrease in operating cost
Services	Low-carbon economy is consistent with ESG concepts. The Group actively develops ESG-related business and integrates new concepts into existing products, in favor of updating our services and boosting its own competitiveness.	
Energy source	Resource expense of the Group may be reduced through using low-carbon energy in its daily operation in middle to long run.	

To catch the above opportunities, the Group's response measures are as follows:

- Enhancing cooperation with environment-friendly companies
- Steady promoting ESG consulting business
- Improving the "Environmental Office Practices" and providing employees with training on the theme of low carbon, in order to raise their environmental protection awareness and further build low-carbon offices.

Environmental, Social and Governance Report

CHAPTER 2. PEOPLE ORIENTED AND BUILDING HARMONIOUS SOCIETY

Protecting Employee's Rights and Interests

Employment

Our employees are our most valuable asset that drives the long-term development and sustainability of the Group. The Group has established and implemented a set of human resources management policies and procedures in place with the aim to provide an ideal working environment to its staff in order to comply with local employment laws and regulations, such as the Employment Ordinance in Hong Kong and the Labour Law of the PRC.

The Group's Staff Handbook sets out the Group's standards for compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. The remuneration management aims to attract potential employees and motivate current staff. Employees receive social welfare benefits and other benefits. All employees are treated equally and their employment, remuneration and promotion opportunities will not be affected by their nationality, race, age, religion and marital status.

The human resources department strictly complies with relevant labour laws and regulations to implement recruitment. In the recruitment processes, the human resources department takes effective procedures to verify applicants' age and inspects their identification documents and valid proof of identity before hiring any of them. Employment contracts and other records documenting all relevant details of the employees (including age) are properly maintained for verification by relevant statutory body upon request.

During the reporting period, no non-compliance regarding employment (including child labour and forced labour) brought against the Group or its employees was noted.

During the reporting period, the labor contract signing rate of the Group's employees was 100%.

The Group stresses gender equality with no recruitment discrimination, and provides equal job opportunities for women.

	2025				2024			+ / -
Male	Number :	45		Male	Number :	46		-1
	Proportion :	36%			Proportion :	36%		Nil
Female	Number :	80		Female	Number :	81		-1
	Proportion :	64%			Proportion :	64%		Nil

We provide competitive and attractive remuneration package to reward and retain our employees. The package includes basic salary, allowance, Mandatory Provident Fund (MPF) and required social security benefits to variable incentive-based remuneration such as discretionary bonus.

Environmental, Social and Governance Report

During the reporting period and the corresponding period in 2024, the employee turnover rate in each dimension are as follows:

Group		2025	2024	+ / -
Group by gender	Male	38%	28%	+10%
	Female	36%	23%	+13%
Group by age	≤30	95%	43%	+52%
	30-50	10%	13%	-3%
	≥50	0	14%	-14%
Group by business regions	Mainland China	42%	27%	+15%
	Other regions	10%	17%	-7%

Employee Health and Safety

In the daily operation of the Group, there is no significant operational hazards as compared to industries like manufacturing and mining etc. The Group aims to enhance wellness of the employees by providing a harmonious and comfortable environment. The Group has adhered to related laws and regulations, such as Occupational Safety and Health Ordinance in Hong Kong and Law of the PRC on the Prevention and Control of Occupational Diseases. As stipulated in the Group's "Guidelines on Occupational Health and Safety", the Group have implemented measure in the following aspects:

Lighting: Good lighting conditions in the workplace enable staff to see comfortably and avoid possible danger. Fluorescent lights recessed into the false ceiling and fitted with louver or diffuser to control glare and distribution of light. Blinds or curtains should be used to prevent glare and control the lighting level. Anti-glare filters can be used if necessary to reduce screen reflection and improve visual quality of the display.

Indoor Air Quality and Ventilation: Smoking is prohibited in all workplace and indoor area of the office. The indoor temperature and humidity are controlled in an optimum level to make the workplace more comfortable and help preventing bacteria from flourishing. Air outlets to be cleaned regularly in the office to reduce the dust level of indoor air and to increase efficiency of the ventilation system.

Office Furniture/Working Posture: Staff are provided with adjustable chairs to allow them to adjust the seat height. To enable staff having a comfortable work office, staff should assume correct seated posture so as to avoid musculoskeletal injury.

Office supplies: The toner used in copiers may contain harmful substances, and copiers operate noisily. Therefore, the Group has an independent printer room to inhibit toner pollution and noise transmission in office area as much as possible.

Manual handling: Heavy-duty manual handling involves lifting, lowering, carrying, pushing or pulling heavy items should be reduced. Risks should be assessed before starting unavoidable manual handling. The Group provides employees with portable carts for transporting heavy objects such as equipment and materials.

Other safety measures: All fire-fighting equipment is regularly inspected complying with regulations on office firefighting. First aid kits are available in offices and contain items in accordance with the Occupational Safety and Health Council Ordinance issued by Labor Department.

During the reporting period, the Group reported no work-related accidents or fatal accidents and faced no litigation related to health and safety.

Environmental, Social and Governance Report

Some employees of the Group travel frequently for business needs. The Group only provided them with laptop computers to facilitate their work. Laptops with small screens lower than eye level may do harm to their eyesight and cervical spine. Therefore, the Group has made renovation since 2022 to build shared office area, where larger display screens are provided and can be connected with such employees' laptops for preventing eyesight problems or shoulder and neck injuries. It has set up shared office area in Guangzhou office, and will set up more shared areas for offices in other cities.

Supporting Employees' Development

Improving Training System

The Group trains employees at full stretch, promoting the common development of employees and the Group itself. Based on Employee Handbook and other relevant internal policies, it has established comprehensive training system, covering four types of training.

During the reporting period, the Group trained 73 person-times, and its training time reached 3.98 hours per person.

Optimizing Assessment, Incentive and Promotion System

While providing good career development platform for its employees, the Group actively builds scientific and effective performance management systems and formulates incentive policies. It assesses performance by adhering to objective, specific and comprehensive principles, and requires all departments and subsidiaries to update their appraisal and incentive plans every year according to their business conditions. Meanwhile, it has established a mature evaluation system, including qualification evaluation for becoming regular employees and year-end evaluation. In year-end evaluation, all regular employees evaluate themselves and are evaluated by their immediate superiors, before filling in and submitting evaluation forms to heads of departments for review by Human Resources Department. The year-end evaluation results provide an important reference for employees' promotion and annual awards.

The Group provides transparent, standard and customized ways for employees' promotion. Meeting the needs for business development, the Human Resources Department updates and publishes the rank structure chart every year, so that employees can understand their rank promotion path. In addition, the Group has built the promotion evaluation system with "moral accomplishments, professional knowledge, and management ability" as the core. The Group recognizes various talents' value, in favor of forming a good competitive environment.

The Group has the best team award, the best performance award and the best progressive award for each department. At year-end banquet, it thanks its employees for their hard work over a year and presents awards to outstanding teams and persons.

Environmental, Social and Governance Report

Deepening Employee Care

Creating an Energetic Workplace Together

The Group advocates a proper balance between work and rest, and enriches employees' life with interesting cultural and recreational activities. During the reporting period, it held 5 large employee activities: the Mid-Autumn Festival tea break, Christmas gift exchange activity, year-end banquet, talent competition for outdoor gaming activities and the Women's Day gift-giving activity.

The Group organized Christmas gift exchange activity at Christmas. Two employees were randomly selected through a computer software to exchange gifts so as to deepen mutual understanding between colleagues in different departments.

The Group has a "mini store" in its pantry room for selling cold drinks, snacks, instant noodles and ice cream at favorable prices, providing convenience for employees. The Administration Department provides new products in "mini store" as employees suggested.

Contributing to Society

With a sense of social responsibility, the Group continues to satisfy the needs of local communities. It develops relations with communities through active cooperation with them in all respects. Its all offices have implemented local epidemic prevention policies in accordance with the requirements of relevant communities. In addition, the Group has actively attended firefighting lectures, cancer prevention lectures and other activities organized by communities.

The Group donated HKD 1 million to The Community Chest of Hong Kong in 2016. During the reporting period, it also made contributions to sustainable development of communities, including caring for disadvantaged groups, and organized following activities:

- ✓ Donating toys and clothing to churches
- ✓ Assisting local restaurants in donating meals to the elderly living alone
- ✓ Recycling used clothes campaign in offices

Environmental, Social and Governance Report

CHAPTER 3. IMPROVING QUALITY AND EFFICIENCY

Integrating Technology with Finance

The Group constructs the “finance + technology” ecosystem. Alpha & Leader leads the development of a big data platform, which is a financial technology platform integrating “corporate database, customer self-service ordering and inquiry platform, and customer service work platform”. The platform encompasses public data of 170 million companies, 290 million companies’ annual reports, and the industries and data connected with 230 million companies. It is an important tool for the Group’s risk control and credit management business. Its emergence marks digital transformation of the Group’s business, greatly improving work efficiency and lowering operating costs.

The design team also designed a highly automated credit evaluation service system “NEW CHECK”. This system significantly raises production efficiency and output of the Group’s credit products. It collects data in a fully automatic way, allowing analysts to concentrate on data analysis and evaluation. After it was put into operation in 2021, the production time per credit report decreased by 75% year-on-year which led to an increase in revenue afterwards.

The Group’s credit report product, TRA, is an automatic data collection and analysis product. Its ten important ratios are calculated with eight core financial data obtained through IT technology and their fluctuations are displayed in line charts. TRA report directly reflects corporate business development trend. With no staff involved, orders can be placed and the report can be produced 24/7. Featuring high efficiency, objectivity and high cost performance ratio, TRA report becomes one of the most competitive credit management tools.

Strengthening Product Quality Control

The Group has established a “Quality Management Policy” with aims to add value for our clients through our business processes that support the services offered. To enhance our service quality, the Group collects customers’ feedback on services provided and reports to management by designated staff. The Group has also issued operational manual for its staff and organized training sessions to familiarize its staff with the standard operational procedures. The Group is committed to providing quality service to its customers through improving the administrative ability of its senior management and the functional capability of its operational staff.

Credit reports are one of the Group’s key products. The Group produces over 20,000 credit reports in Chinese, English and Japanese every year. It has set up a report Quality Control (QC) team and introduced “QC Guidelines” for strict quality control, and QC results affect analysts’ performance appraisal. QC department organizes at least one QC meeting each month, reminding analysts of correcting frequent mistakes.

Promoting Business Communication and Innovation

The Group believes that increasing communications with peer companies can create a good competitive environment and advance overall industry progress. Fostering cross-industry communication is the key to exploring product application scenarios and achieving wider or more specific product application. Therefore, the Group actively exchanges ideas with industry associations and attends industry seminars.

During the reporting period, it attended 37 industry exchange meetings and seminars.

Environmental, Social and Governance Report

Improving Customer Services

The Group provides customers with high-quality, diversified and one-stop services. It has formulated “Customer Service Rules” and “Customer Complaint Handling Procedures”, and provided strict training for customer service personnel in order to realize higher service levels, more complete processes and maximum customer benefits. In terms of customized services, it designates staff to provide specific service, meeting customers’ actual needs. Its customer service team pays irregular return visits every year, and invites customers to evaluate products and services through questionnaires and other means.

The Group doesn’t charge fees for unsuccessful debt collections. Before it provides credit evaluation services and financial data procurement services, new customers can decide to place orders according to report products or product samples given away, so that they are able to know clearly whether the products and services meet their needs.

The Group regularly gives lectures to or runs salons for customers as value-added services.

During the reporting period, it ran 4 online/offline salons and 8 lecture trainings for customer.

The Group conducts marketing in accordance with Advertising Law of the People’s Republic of China and requirements of regulatory authorities. It optimizes its business marketing and advertising mechanism via clear principles, processes and requirements of marketing and advertising, and provides accurate and complete information of financial product to safeguard customers’ legal rights and interests.

The Group sticks to critical principles of its operation such as customer information security and privacy protection. On basis of its employee handbook, employees shall protect all customer information and shall not use customers’ confidential information for unauthorized business activities, otherwise they may face disciplinary punishments.

During the reporting period, there was no serious violation of relevant national laws and regulations regarding the Group’s services and compensation methods in terms of advertising, labels and privacy.

Environmental, Social and Governance Report

CHAPTER 4. STABLE OPERATION AND STRONGER CORPORATE GOVERNANCE

Risk Management

The Group attaches great importance to the corporate risks management and control. The Board shall be responsible for the overall risk management and the Risk Management Committee shall be established to perform the corresponding functions. In the post-epidemic era, the Group puts more emphasis on constructing its risk control system in order to improve the risk management capability across the whole process and the level of active risk management. Relying on the credit management experience and professional capabilities of its subsidiary, Alpha & Leader, the Group identifies, measures and avoids potential risks in advance via credit investigation and due diligence.

In the coming year, the Group is expected to organize special training for risk management principals of all business departments, functional departments, branches and subsidiaries to enhance employees' awareness and capacity of risk management.

The Group's business satisfies financing needs of SMEs with higher default risks compared with large companies. Therefore, the Group develops credit risk management and control solutions targeting SMEs and specific implementation plans on risk events.

Compliance Management

The Group regards compliance operation as an important cornerstone of its development. Therefore, it strictly abides by the "Measures for the Administration of Foreign-funded Lease Industry" published by the Ministry of Commerce of the People's Republic of China and other relevant laws and regulations. Besides, it requires all departments, branches and subsidiaries to incorporate such regulatory requirements into internal regulations in a timely manner, and provides compliance management training immediately after new employees' enrollment.

The board of the Group is in charge of the compliance management and requires all departments, branches and subsidiaries to update the compliance systems related to their functions each year. Compliance managers are appointed in those business departments with strict compliance requirements to supervise the compliance management and control in the entire business process.

Dispute Resolution & Asset Disposal Division of the Group has a compliance manager appointed specially for guaranteeing the compliance of debt collection operation. Moreover, in January 2021, it revised the third edition of the "Business Manual", which covers the norms of business conduct and emphasizes ten "prohibitive items" like prohibiting mediators from illegally collecting debts, etc. During the reporting period, the compliance manager conducted 6 compliance trainings for employees of the division.

Anti-Corruption and Anti-Bribery

In the Group's "Staff Handbook", one of the most important rules that the Group requires all employees to avoid any relationship, influence, interest or activity that could compromise the best interest of the Group. As part of their responsibility, all employees should avoid any position whereby their judgment, decision or influence on behalf of the Group may give rise to their personal interests, finance and/or other means of interest. They should ensure that dealings with clients, suppliers, contractors, job applicants, colleagues or any other third party are met with good judgment, careful observance of all applicable laws and regulations, and the highest standard of integrity at all times.

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As stipulated in the Group's "Whistle-blowing Policy", employees should raise concerns about any suspected misconduct or malpractice verbally or in writing. The Group will make every effort to treat all reporting in a strictly confidential manner. The identity of the employee making any report and/or complaint will not be disclosed without such employee's consent, unless the Group is legally obliged to reveal the employee's identity and other information. In cases of suspected corruption or other criminal offences, a report will be made to the Independent Commission Against Corruption (ICAC) or the appropriate authorities. Besides, 5 sessions of anti-corruption training was provided to 20 of our employee (including management and staff) with total training hour of 2 hours through internal training during the reporting period.

The Group has been in strict compliance with the Prevention of Bribery Ordinance in Hong Kong, the Anti-Unfair Competition Law of the PRC and the Anti-Money Laundering Law of the PRC. During the reporting period, there was no any legal case regarding corrupt practices brought against the Group or its employees.

Intellectual Property Protection

The Group strictly abides by the "Patent Law of the People's Republic of China" and the "Trademark Law of the People's Republic of China" and other laws and regulations, so it protects its own intellectual property rights well, and does not infringe others' intellectual property rights.

The Group's administration department is the department responsible for the work related to intellectual property rights, responsible for the acquisition, modification, renewal, licensing, pledge, transfer, logout, and monitoring of intellectual property of all units including trademarks, functional variable names, copyrights, patents, responsible for guiding, supervising, and managing the intellectual property rights maintenance and rights protection and anti-counterfeiting of all units. The Group requires our staff to endeavor to guarantee and develop intellectual property rights of the Group while totally respect legal intellectual property rights of third parties. In addition, the Group would also sign confidentiality agreement and competition prohibition agreement with its staff to prevent the infringement of intellectual property rights. Employees who are suspected of violating relevant rules of intellectual property rights of the Group shall be under investigation and the Group would take appropriate actions to this.

During the reporting period, the Group or its employees did not infringe others' intellectual property rights or violate relevant laws and regulations.

Supply Chain Management

As a service provider, the Group has simple supply chain and a few suppliers. Accordingly, the Group only provides information technology services, property management services, advertising services, legal consulting services, office equipment, printing and stationery supply and other third-party services. It strictly observes the "Government Procurement Law of the People's Republic of China" and the "Law of the People's Republic of China on Tenders and Bids" and other laws and regulations.

Meanwhile, the Group formulated an Environmentally-friendly Procurement Policy to support the purchase of recyclable products, reducing work-related environmental impacts. It has always encouraged suppliers to print its annual and interim reports on recycled paper and to prioritise using use sustainable energy-efficient electronic equipment with Class 1 energy label for their procurement.

In addition, it strictly implements the "Sunshine Procurement" policy, focusing on suppliers' business ethics and social responsibility. It also strictly monitors and prevents various commercial bribery activities through screening, evaluation and regular inspection of suppliers.

During the reporting period, the Group reported zero violations of suppliers in terms of business ethics, environmental protection and labor codes that cause major actual or potential adverse impacts.

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KEY QUANTITATIVE PERFORMANCE TABLES

Table of Environmental Performance Indicators

Indicator	Unit	2025	2024
Nitrogen-oxide emissions ^(Note 1)	Gram	5,698.86	6,149.45
Sulfur oxide emissions ^(Note 1)	Gram	83.49	95.95
Particulate matter emissions ^(Note 1)	Gram	419.60	452.77
Greenhouse gas emissions (scope 1 and 2)	Tonnes of CO ₂ -equivalent emission	134.54	141.15
Greenhouse gas emission intensity (scope 1 and 2)	Tonnes of CO ₂ -equivalent emission/employee	1.08	1.11
Total hazardous wastes			
Used batteries	Pack	305.00	185.00
Drum cartridges	Gram	0	4,550.00
Toner cartridges	Piece	28.00	27.00
Electronic equipment	Set	327.00	23.11
Average hazardous wastes			
Used batteries	Pack/employee	2.44	1.46
Drum cartridges	Gram/employee	0	35.83
Toner cartridges	Piece/employee	0.22	0.21
Electronic equipment	Set/employee	2.62	0.18
Total paper wastes ^(Note 2)	Tonnes	2.28	2.14
Paper wastes intensity ^(Note 2)	Tonnes/employee	0.018	0.017
Total electricity consumption ^(Note 3)	kWh	195,317.00	202,396.00
Total unleaded petrol consumption	kWh	55,041.53	63,255.54
Total energy consumption	kWh	250,358.53	265,651.54
Average energy consumption ^(Note 3)	kWh/employee	2,002.87	2,091.74
Total water consumption ^(Note 3)	M ³	677.00	638.00
Average water consumption ^(Note 3)	M ³ /employee	5.42	5.02

Note 1: Nitrogen-oxide, sulfur oxide and particulate matter were emitted by the Group's official vehicles.

Note 2: The non-hazardous waste generated in the operation of the Company mainly refers to the daily office waste, kitchen waste and other waste. Only the amount of paper waste has been calculated in this report.

Note 3: Charges for electricity and water of certain entities are included in property management fees, thus record of usage for electricity and water of those entities are not available.

Calculation method average consumption was calculated by employee of the Group as at the end of the reporting period (2025: 125 employees; 2024: 127 employees).

Note 4: Unless otherwise stated, the emission factors used in calculating the environmental KPIs in this ESG Report are based on the "How to prepare an ESG Report – Appendix Reporting Guidance on Environmental KPIs" issued by the HKEx.

Environmental, Social and Governance Report

Table of Employment Performance Indicator

Indicator			Unit	2025	2024
Total employees			Person	125	127
By gender	Male		Person	45	46
	Female		Person	80	81
By age	≤30		Person	41	51
	30-50		Person	73	69
	≥50		Person	11	7
By business regions	Mainland China		Person	105	109
	Other regions		Person	20	18
By employment type	Full-time		Person	125	127
Employee diversity					
By gender	Male		%	36%	36%
	Female		%	64%	64%
By age	≤30		%	33%	40%
	30-50		%	58%	54%
	≥50		%	9%	6%
By business regions	Mainland China		%	84%	86%
	Other regions		%	16%	14%
Employee turnover rate ^(Note 5)					
By gender	Male		%	38%	28%
	Female		%	36%	23%
By age	≤30		%	95%	43%
	30-50		%	10%	13%
	≥50		%	0	14%
By business regions	Mainland China		%	42%	27%
	Other regions		%	10%	17%
Employees' leave					
Actual number of female employees taking maternity leave			Person	1	2
Proportion of female employees back to work after taking maternity leave ^(Note 6)			%	100%	50%
Average period of maternity leave			Working day	178	178
Average period of paternity Leave			Working day	14	12

Note 5: Employee turnover rate of a specific category = the number of employees in the specified category leaving employment during the reporting period / the number of employees in the specified category at the end of the period.

Note 6: Proportion of female employees back to work after taking maternity leave = the number of female employees back to work after taking maternity leave / the actual number of female employees taking maternity leave.

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Employee Training Performance Indicators

Indicator		Unit	2025	2024
Person-time of employee training		Person-time	73	85
By gender	Male	Person-time	28	23
	Female	Person-time	45	62
By employee category	Senior management	Person-time	22	18
	Middle management	Person-time	10	9
	General employees	Person-time	41	58
Training duration per employee per year ^(Note 7)		Hour	3.98	2.70
By gender	Male	Hour	4.93	2.00
	Female	Hour	3.45	3.10
By employee category	Senior management	Hour	9.47	4.29
	Middle management	Hour	1.29	1.19
	General employees	Hour	4.00	2.90

Note 7: Training duration per employee of a category per year = total number of hours of training received by employees of the specific category/the number of employees of the specific category.

Occupational Health and Safety Performance Indicators

Indicator	Unit	2025	2024
Coverage of physical examination for employees ^(Note 8)	%	6	75
Occurrence of work-related injuries	Time	0	0
Absence due to work-related injuries	Working day	0	0
Ratio of employees' work-related deaths	%	0	0
Incidence of employees' occupational disease ^(Note 9)	%	0	0

Note 8: Physical examination coverage of employees = the number of employees accepting physical examination during the reporting period / total number of employees at the end of the period.

Note 9: The Group is a financial Group which does not involve occupational hazards such as dust, noise, radioactive materials, etc.

Customer Service Performance Indicators

Indicator	Unit	2025	2024
Number of customer inquiries ^(Note 10)	Case	24,030	20,179
Number of customer complaints	Case	0	0

Note 10: The indicator was estimated on basis of monthly amount of customer inquiry e-mails.

Environmental, Social and Governance Report

Anti-corruption Performance Indicators

Indicator	Unit	2025	2024
Number of closed corruption lawsuits lodged against the Group and employees	Case	0	0
Times of anti-corruption training	Time	5	0
Person-time of relevant persons receiving anti-corruption training	Person-time	100	0

Supplier Performance Indicators

Indicator	Unit	2025	2024
Number of suppliers ^(Note 11)			
Suppliers in Mainland China	Company	268	253
Suppliers in other regions	Company	0	0
Coverage of management policy for suppliers			
Suppliers in Mainland China	%	100%	100%
Suppliers in other regions	%	0	0

Note 11: Due to its business type, the Group has few suppliers. The report only includes first-tier suppliers with long-term cooperation with the Group.

Environmental, Social and Governance Report

REPORT STANDARD INDEX

Index Table of the Stock Exchange's ESG Reporting

Guidelines

Aspects, General

Disclosures and KPIs	Description	Section
A. Environment		
Aspect A1: Emissions		
General Disclosure A1	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.	Chapter 1
KPI A1.1	The types of emissions and respective emissions data.	Chapter 1; Key Quantitative Performance Tables
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Chapter 1; Key Quantitative Performance Tables
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Chapter 1; Key Quantitative Performance Tables
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Chapter 1
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.	Chapter 1
Aspect A2: Use of Resources		
General Disclosure A2	Policies on the efficient use of resources, including energy, water and other raw materials.	Chapter 1
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).	Chapter 1; Key Quantitative Performance Tables
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Quantitative Performance Tables
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Chapter 1
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.	Chapter 1
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	Not applicable

Environmental, Social and Governance Report

Aspects, General

Disclosures and KPIs	Description	Section
Aspect A3: The Environment and Natural Resources		
General Disclosure A3	Policies on minimizing the issuer's significant impact on the environment and natural resources.	Chapter 1
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Chapter 1
Aspect A4: Climate Change		
General Disclosure A4	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Chapter 1
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.	Chapter 1
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure B1	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.	Chapter 2; Key Quantitative Performance Tables
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Chapter 2; Key Quantitative Performance Tables
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Chapter 2; Key Quantitative Performance Tables
Aspect B2: Health and Safety		
General Disclosure B2	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.	Chapter 2; Key Quantitative Performance Tables
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Key Quantitative Performance Tables
KPI B2.2	Lost days due to work injury.	Chapter 2
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Chapter 2

Environmental, Social and Governance Report

Aspects, General

Disclosures and KPIs	Description	Section
Aspect B3: Development and Training		
General Disclosure B3	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Key Quantitative Performance Tables
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. top management, middle management).	Performance Tables
KPI B3.2	The average training hours completed per employee by gender and employee category.	Performance Tables
Aspect B4: Labour Standards		
General Disclosure B4	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.	Chapter 2
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Chapter 2
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Chapter 2
Aspect B5: Supply Chain Management		
General Disclosure B5	Policies on managing environmental and social risks of the supply chain.	Chapter 4
KPI B5.1	Number of suppliers by geographical region.	Key Quantitative Performance Tables
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.	Chapter 4
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Chapter 4
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Chapter 4

Environmental, Social and Governance Report

Aspects, General

Disclosures and KPIs	Description	Section
Aspect B6: Product Responsibility		
General Disclosure B6	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, labeling and privacy matters relating to products and services provided and methods of redress.	Chapter 3
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Chapter 3
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Chapter 4
KPI B6.4	Description of quality assurance process and recall procedures.	Chapter 3
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Chapter 3
Aspect B7: Anti-corruption		
General Disclosure B7	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.	Chapter 4
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.	Key Quantitative Performance Tables
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Chapter 4
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Key Quantitative Performance Tables
Aspect B8: Community Investment		
General Disclosure B8	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.	Chapter 2
KPI B8.1	Focus areas of contribution (e.g. education, environment, labour demand, health, culture and physical education).	Chapter 2
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Chapter 2

Independent Auditor's Report



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TO THE SHAREHOLDERS OF CHINA RONGZHONG FINANCIAL HOLDINGS COMPANY LIMITED

中國融眾金融控股有限公司

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Rongzhong Financial Holdings Company Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 78 to 166, which comprise the consolidated statement of financial position as at 31 March 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

Independent Auditor's Report

KEY AUDIT MATTERS

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

Key audit matter

How our audit addressed the key audit matter

Impairment assessment of goodwill, property, plant and equipment related to the business of operating lease of motor vehicles services in the People's Republic of China (the "PRC")

As at 31 March 2025, the carrying amounts of segment assets related to the business of operating lease of motor vehicles services in the PRC subject to impairment assessment, are of goodwill of HK\$6.0 million, and certain property, plant and equipment of HK\$52.4 million, respectively, which is attributable to Ultimate Harvest Global Limited ("UMH") and its subsidiaries' (collectively referred to as the "UMH Group") business.

The recoverable amount of the goodwill and property, plant and equipment is determined based on the value in use calculation of the cash-generating unit to which the assets belong. The recoverable amounts of the cash-generating unit have been determined based on value in use calculations as it is not possible to measure fair value less costs of disposal because there is no basis to make a reliable estimation of the amount obtainable from the sales of the assets in an orderly transaction between market participants at the measurement date. In estimating the amount of value in use, the net present values of future cash flows are estimated based upon the continued use of the asset as key assumptions applied in discounted future pre-tax cash flow projections, use of appropriate discount rate, growth rate and budgeted income. Such an estimation is based on the unit's past performance and management's expectations for the market development.

We identified the impairment assessment of goodwill, and property, plant and equipment related to the business of operating lease of motor vehicles services in the PRC as a key audit matter due to the significance of the balances to the consolidated financial statements as a whole and the significant judgments involved in assessing the amount of impairment of goodwill and property, plant and equipment.

Our procedures in relation to assessing the appropriateness of management's judgments applied in impairment assessment of goodwill and property, plant and equipment related to the business of operating lease of motor vehicles services in the PRC included:

- Understanding management's process for identifying impairment indicator;
- Understanding how management perform impairment assessment including the estimation of cash flow projection and key assumptions used;
- Assessing and challenging management's key assumptions and estimates, which include the projected revenue and growth rate, to historical results and in light of current and expected future market conditions;
- Assessing the reasonableness of the discount rate applied in determining the value in use by benchmarking against market data;
- Assessing the competence, capabilities and objectivity of management's external valuation expert;
- Involving our internal valuation specialist to evaluate the methodologies used in the impairment assessment, and benchmark the discount rates applied to other comparable companies in the same industry; and
- Performing retrospective reviews of impairment assessment to test the accuracy of the assumptions used and determine whether any adjustments to the assumptions are necessary for the impairment assessment as at current year end.

OTHER INFORMATION

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee assists the directors of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent Auditor's Report

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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

Independent Auditor's Report

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

We also provide those charged with governance 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 those charged with governance, 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.

Moore CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditors

Lai Hung Wai

Practising Certificate Number: P06995

Hong Kong, 26 June 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6	83,529	89,004
Other income	7	372	327
Cost of services		(45,143)	(44,998)
Other gains and losses	8	(1,157)	545
Staff costs	12	(27,162)	(28,488)
(Provision of) reversal of impairment losses and expected credit losses	9	(2)	314
Other operating expenses		(14,613)	(18,971)
Finance costs	10	(2,338)	(5,237)
Loss before tax		(6,514)	(7,504)
Income tax expense	11	(263)	(75)
Loss for the year	12	(6,777)	(7,579)
Other comprehensive expense			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		(93)	(427)
Total comprehensive expense for the year		(6,870)	(8,006)
(Loss) profit for the year attributable to:			
Owners of the Company		(8,112)	(9,615)
Non-controlling interests		1,335	2,036
		(6,777)	(7,579)
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		(8,207)	(9,634)
Non-controlling interests		1,337	1,628
		(6,870)	(8,006)
Loss per share	15		
Basic and diluted (HK cents)		(1)	(2)

Consolidated Statement of Financial Position

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	16	60,298	60,790
Deposits		552	202
Goodwill	17	9,000	9,000
		69,850	69,992
Current assets			
Trade receivables	19	6,823	6,546
Prepayments and other receivables	20	900	1,182
Cash and cash equivalents	21	7,972	6,972
		15,695	14,700
Current liabilities			
Trade payables	22	179	369
Deposits from customers	23	4,886	7,934
Other payables and accrued charges	24	5,094	6,553
Contract liabilities	25	5,202	5,319
Lease liabilities	26	2,405	1,603
Tax liabilities		1,016	830
Bank borrowings	27	763	1,285
Amount due to a related company	28	34,269	32,817
Amount due to a shareholder	29	1,442	381
Derivative financial liabilities	31	–	3,378
Convertible bonds	30	–	2,160
		55,256	62,629
Net current liabilities		(39,561)	(47,929)
Total assets less current liabilities		30,289	22,063

Consolidated Statement of Financial Position

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Lease liabilities	26	2,656	1,020
Bank borrowings	27	–	765
Amount due to a shareholder	29	6,513	–
Contingent consideration payables	33	3,158	2,540
		12,327	4,325
Net assets		17,962	17,738
Capital and reserves			
Share capital	35	6,068	5,903
Reserves		11,276	12,554
		17,344	18,457
Non-controlling interests		618	(719)
Total equity		17,962	17,738

The consolidated financial statements on pages 78 to 166 were approved and authorised for issue by the board of directors on 26 June 2025 and are signed on its behalf by:

Ms. Wong Emilie Hoi Yan
Director

Ms. Wong Jacqueline Yue Yee
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (note (b))	Statutory surplus reserve HK\$'000 (note (a))	Share option reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Subtotal HK\$'000		
At 1 April 2023	4,125	552,818	-	29	1,482	(2,798)	(586,945)	(31,289)	6,289	(25,000)
(Loss) profit for the year	-	-	-	-	-	-	(9,615)	(9,615)	2,036	(7,579)
Exchange difference arising on translation to presentation currency	-	-	-	-	-	(19)	-	(19)	(408)	(427)
Total comprehensive (expense) income for the year	-	-	-	-	-	(19)	(9,615)	(9,634)	1,628	(8,006)
Issues of shares upon:										
- conversion of convertible bonds (note 35(i))	83	3,283	-	-	-	-	-	3,366	-	3,366
- capitalisation of amount due to a shareholder and loan note (note 35(ii))	1,235	45,691	-	-	-	-	-	46,926	-	46,926
- the UMH 49% Acquisition (as defined below) (note 35(iii))	460	26,711	(18,535)	-	-	-	-	8,636	(8,636)	-
Subtotal of issues of shares (note 35)	1,778	75,685	(18,535)	-	-	-	-	58,928	(8,636)	50,292
Recognition of equity-settled share-based payments	-	-	-	-	452	-	-	452	-	452
At 31 March 2024	5,903	628,503	(18,535)	29	1,934	(2,817)	(596,560)	18,457	(719)	17,738
(Loss) profit for the year	-	-	-	-	-	-	(8,112)	(8,112)	1,335	(6,777)
Exchange difference arising on translation to presentation currency	-	-	-	-	-	(95)	-	(95)	2	(93)
Total comprehensive (expense) income for the year	-	-	-	-	-	(95)	(8,112)	(8,207)	1,337	(6,870)
Issues of shares upon conversion of convertible bonds (note 35(iv))	165	6,279	-	-	-	-	-	6,444	-	6,444
Recognition of equity-settled share-based payments	-	-	-	-	650	-	-	650	-	650
Lapsed of share-based payments	-	-	-	-	(13)	-	13	-	-	-
At 31 March 2025	6,068	634,782	(18,535)	29	2,571	(2,912)	(604,659)	17,344	618	17,962

Notes:

- (a) Pursuant to the articles of association of the subsidiary established in the People's Republic of China (the "PRC"), it is required to appropriate 10% or an amount to be determined by its directors of its profit for the year in accordance with the relevant accounting rules and financial regulations of the PRC before any distribution of dividends to owners each year to the statutory surplus reserve until the balance reaches 50% of its registered capital.
- (b) The other reserve represents the difference between the carrying amount of the non-controlling interests of Ultimate Harvest Global Limited ("UMH") and its subsidiaries (collectively referred to as the "UMH Group") upon transfer in 49% equity interest from Goldbond Group Holdings Limited ("Goldbond") and the fair value of the consideration paid on 18 January 2024 (represented by share capital of HK\$460,000 and share premium of HK\$26,711,000 of 46,052,632 shares issued and allotted at the par value of HK\$0.01 each) (the "UMH 49% Acquisition").

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Note	2025 HK\$'000	2024 HK\$'000
Operating activities			
Loss before tax		(6,514)	(7,504)
Adjustments for:			
Provision of (reversal of) impairment losses and expected credit losses	9	2	(314)
Depreciation of property, plant and equipment		14,513	11,874
Equity-settled share-based payments		650	452
Finance costs		2,338	5,237
Interest income from bank deposits		(11)	(28)
Effect of foreign exchange rate changes		(78)	757
Fair value loss (gain) on derivative financial liabilities		639	(3,859)
Fair value loss on contingent consideration payables		618	72
Loss on capitalisation of a loan note		–	2,485
Loss on disposal of property, plant and equipment		8,037	8,167
Gain on lease termination		(22)	–
Operating cash flows before movements in working capital		20,172	17,339
Decrease in lease receivables and receivables arising from sale and leaseback arrangements		–	4,901
Increase in deposits, prepayments and other receivables		(73)	(162)
Decrease (increase) in trade receivables		43	(2,176)
(Decrease) increase in trade payables		(189)	247
(Decrease) increase in contract liabilities		(117)	942
(Decrease) increase in deposits from customers		(526)	1,450
(Decrease) increase in other payables and accrued charges		(1,458)	871
Increase in amount due to a shareholder		857	–
Cash generated from operations		18,709	23,412
Enterprise Income Tax paid		(71)	(695)
Net cash from operating activities		18,638	22,717
Investing activities			
Proceeds from disposal of property, plant and equipment		11,396	12,158
Interest received from bank deposits		11	28
Purchases of property, plant and equipment		(31,382)	(37,781)
Net cash used in investing activities		(19,975)	(25,595)

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
Financing activities		
Advances from a related company	23,180	23,567
Repayments to a related company	(21,720)	(34,130)
Advances from a shareholder	6,513	10,463
Proceeds from other borrowing	1,087	–
Interest paid	(1,654)	(97)
Repayments of bank borrowings	(1,287)	(1,239)
Repayments of other borrowing	(1,087)	–
Repayments of principal portion of lease liabilities	(2,729)	(2,468)
Repayments of interest element of lease liabilities	(212)	(133)
Net cash from (used in) in financing activities	2,091	(4,037)
Net increase (decrease) in cash and cash equivalents	754	(6,915)
Cash and cash equivalents at beginning of the year	6,972	14,575
Effect of foreign exchange rate changes	246	(688)
Cash and cash equivalents at end of the year	7,972	6,972

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

1. GENERAL INFORMATION

China Rongzhong Financial Holdings Company Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its parent and ultimate parent are Goldbond, a public company incorporated in Hong Kong with limited liability. Its ultimate controlling parties are Ms. Wong Jacqueline Yue Yee, Ms. Wong Michelle Yatyee, Mr. Wong Charles Yu Lung and Mrs. Wong Fang Pik Chun. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are provision of leasing services in the PRC, due diligence, debt collection and credit investigation services in the PRC, Hong Kong and Singapore. Details of the Company’s subsidiaries are set out in note 44.

The functional currency of the Company is Renminbi (“**RMB**”). The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) as the shares of the Company are listed on the Stock Exchange.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Statement of compliance

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

2.2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are accounted for in accordance with HKFRS 16 “Leases”, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

2.2 Basis of measurement (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES (continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS AND CHANGES IN OTHER ACCOUNTING POLICIES (continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective (continued)

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

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

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.1 Basis of consolidation (continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss 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 carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 "Financial Instruments" or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.2 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

4.3 Interests in subsidiaries

In the Company's statement of financial position, interests in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.4 Revenue from contracts with customers

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

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

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

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

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service. Revenue from provision of debt collection and credit investigation services and sales of motor vehicles are recognised at a point in time.

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

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

Revenue from the sale of motor vehicles is recognised at the point in time when control of the asset is transferred to the customer.

Debt collection services income and credit investigation services income is recognised when services are rendered.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.4 Revenue from contracts with customers (continued)

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

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

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depicts the Group's performance in transferring control of goods or services.

Revenue from annual subscription fees of credit investigation services is recognised over time.

4.5 Leases

Definition of a lease

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

For contracts entered into or modified, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed. As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.5 Leases (continued)

The Group as a lessee

Allocation of consideration to components of a contract

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

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

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

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

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

The Group presents right-of-use assets in “property, plant and equipment”, the same line item within which the corresponding underlying assets would be presented if they were owned.

Refundable rental deposits

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.5 Leases (continued)

The Group as a lessee (continued)

Lease liabilities

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

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change 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 change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, 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 the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.5 Leases (continued)

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model. Variable lease payments for operating leases that depend on an index or a rate are estimated and included in the total lease payments to be recognised on a straight-line basis over the lease term. Variable lease payments that do not depend on an index or a rate are recognised as income when they arise. When a lease contract contains a specific clause that provides for rent reduction or suspension of rent in the event that the underlying assets (or any part thereof) are affected by adverse events beyond the control of the Group and the lessee so as to render the underlying assets unfit or not available for use, the relevant rent reduction or suspension of rent resulting from the specific clause is accounted for as part of the original lease and not as a lease modification. Such rent reduction or suspension of rent is recognised in profit or loss in the period in which the event or condition that triggers those payments to occur.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.5 Leases (continued)

The Group as a lessor (continued)

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 “Revenue from Contracts with Customers” to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received 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 from lessees.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

(i) Operating leases

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

(ii) Finance leases

The Group accounts for a change in the lease payments of a finance lease as a lease modification, that is not accounted for as a separate lease, in accordance with the requirements of HKFRS 9. If the change represents a substantial modification, the finance lease receivables of the original lease are derecognised and a derecognition gain or loss calculated using the revised lease payments discounted at the revised discount rate is recognised in profit or loss on the date of the modification. If the change does not represent a substantial modification, the Group continues to recognise the finance lease receivables in which such carrying amount will be calculated at the present value of the modified contractual cash flows discounted at the related receivables’ original discount rate. Any adjustment to the carrying amount is recognised in profit or loss at the effective date of modification.

Sale and leaseback transactions

The Group applies the requirements of HKFRS 15 to assess whether sale and leaseback transaction constitutes a sale by the Group.

The Group as a buyer-lessor

For a transfer that satisfies the requirements as a sale

For a transfer of asset that satisfies the requirements of HKFRS 15 to be accounted for as a sale of asset, the Group as a buyer-lessor accounts for the purchase of the asset applying applicable standards, and for the lease applying the lessor accounting requirements in accordance with HKFRS 16.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.6 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Exchange differences relating to the retranslation of the Group's net assets in RMB to the Group's presentation currency (i.e. HK\$) are recognised directly in other comprehensive income and accumulated in translation reserve. Such exchange differences accumulated in the translation reserve are not reclassified to profit or loss subsequently.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

4.7 Borrowing costs

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

4.8 Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.9 Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

The Group operates a defined contribution retirement benefit plan under the Mandatory Provident Fund (the “MPF”) Schemes Ordinance for all of its eligible 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 Company’s subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. The subsidiary is required to contribute certain percentage of their payroll costs to the central pension scheme.

For long service payment (the “LSP”) obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group’s MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

Short-term and other long-term employee benefits

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

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

4.10 Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.11 Taxation

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

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

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

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

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

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

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

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.12 Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

4.13 Impairment on property, plant and equipment and right-of-use assets

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, and right-of-use assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.13 Impairment on property, plant and equipment and right-of-use assets (continued)

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

4.14 Provisions

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

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

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

4.15 Contingent liabilities

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

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

4.16 Financial instruments

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.16 Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

Amortised cost and interest income

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

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including trade receivables, deposit, security deposits, other receivables, short term bank deposits with original maturity within three months and bank balances), and other items (i.e. lease receivables and receivables arising from sale and leaseback arrangements) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables and lease receivables and receivables arising from sale and leaseback arrangements.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.16 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(i) Significant increase in credit risk

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

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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.

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

(ii) Definition of default

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.16 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(iii) Credit-impaired financial assets

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

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables and lease receivables and receivables arising from sale and leaseback arrangements, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

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

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For lease receivables and receivables arising from sale and leaseback arrangements, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.16 Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (continued)

(v) Measurement and recognition of ECL (continued)

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables and lease receivables and receivables arising from sale and leaseback arrangements, where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.16 Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities

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

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which HKFRS 3 applies, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKFRS 9 permits the entire combined contract to be designated as at FVTPL.

For financial liabilities that are designated as at FVTPL, the amount of changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. For financial liabilities that contain embedded derivatives, such as convertible bonds, the changes in fair value of the embedded derivatives are excluded in determining the amount to be presented in other comprehensive income. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to accumulated losses upon derecognition of the financial liability.

Financial liabilities at amortised cost

Financial liabilities including trade payables, deposits from customers, other payables, bank borrowings, amount due to a related company, amount due to a shareholder, promissory note and loan note are subsequently measured at amortised cost, using the effective interest method.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.16 Financial instruments (continued)

Convertible bonds

Convertible bonds contain debt and derivative components

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt component and derivative components are recognised at fair value. In subsequent periods, the debt component of the convertible loan notes is carried at amortised cost using the effective interest method. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative component are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible loan notes using the effective interest method.

Derecognition/modification of financial liabilities

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

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

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.17 Cash and cash equivalents

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

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key sources of estimation uncertainty

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

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit (or a group of cash-generating units) and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss or further impairment loss may arise.

As at 31 March 2025, the carrying amount of goodwill is HK\$9,000,000 (2024: HK\$9,000,000) (net of accumulated impairment loss of HK\$17,236,000 (2024: HK\$17,236,000)). Details of the recoverable amount calculation are disclosed in note 17.

Fair value measurement of financial instruments

As at 31 March 2025, contingent consideration payables amounting to HK\$3,158,000 (2024: HK\$2,540,000), are measured at fair value with fair value being determined based on significant unobservable inputs using valuation techniques. Judgment and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these instruments. See note 40 for further disclosures.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Key sources of estimation uncertainty (continued)

Impairment of financial assets

The measurement of impairment losses under HKFRS 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

As at 31 March 2025, the net carrying amounts of trade receivables were HK\$6,823,000 (2024: HK\$6,546,000), net of provision for ECL of HK\$765,000 (2024: HK\$908,000). Details of the impairment assessment of ECL are disclosed in note 40(b).

Estimated impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash generating unit to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of cash generating units, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 March 2025, the carrying amounts of property, plant and equipment and right-of-use assets subject to impairment assessment were HK\$55,247,000 and HK\$5,051,000 (2024: HK\$58,248,000 and HK\$2,542,000), respectively, after taking into account the impairment losses of HK\$143,000 and nil (2024: nil and nil), in respect of property, plant and equipment and right-of-use assets that have been recognised respectively. Details of the impairment of property, plant and equipment and right-of-use assets are disclosed in note 16.

6. REVENUE AND SEGMENT INFORMATION

The directors of the Company determined the reportable segments of the Group as follows:

- (1) Providing leasing services including:
 - direct leasing – sale and leaseback and operating leasing services in the PRC
 - operating lease – providing operating lease of motor vehicles services in the PRC
- (2) Debt collection and credit investigation services – providing debt collection services and credit investigation services in Hong Kong, the PRC and Singapore

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION (continued)

(a) Segment revenue and results

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

For the year ended 31 March 2025

	Leasing services HK\$'000	Debt collection and credit investigation services HK\$'000	Total HK\$'000
Segment revenue			
Revenue from external customers	40,750	42,779	83,529
Segment results	325	2,830	3,155
Unallocated:			
Other gains and losses			(1,151)
Finance costs			(471)
Staff costs			(3,720)
Other operating expenses			(4,327)
Loss before tax			(6,514)

For the year ended 31 March 2024

	Leasing services HK\$'000	Debt collection and credit investigation services HK\$'000	Total HK\$'000
Segment revenue			
Revenue from external customers	43,922	45,082	89,004
Segment results	4,874	1,560	6,434
Unallocated:			
Other income			10
Other gains and losses			567
Finance costs			(3,233)
Staff costs			(3,458)
Other operating expenses			(7,824)
Loss before tax			(7,504)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

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

	At 31 March 2025 HK\$'000	At 31 March 2024 HK\$'000
Segment assets		
Leasing services	66,000	67,830
Debt collection and credit investigation services	19,411	16,168
Total segment assets	85,411	83,998
Unallocated assets	134	694
Total assets	85,545	84,692
Segment liabilities		
Leasing services	40,093	41,824
Debt collection and credit investigation services	15,145	14,657
Total segment liabilities	55,238	56,481
Unallocated liabilities	12,345	10,473
Total liabilities	67,583	66,954

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION (continued)

(c) Other segment information

For the year ended 31 March 2025

	Leasing services HK\$'000	Debt collection and credit investigation services HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to property, plant and equipment	31,275	5,632	–	36,907
Depreciation of property, plant and equipment	11,834	2,679	–	14,513
Impairment losses on property, plant and equipment recognised in profit or loss	143	–	–	143
Provision of (reversal of) impairment losses on financial assets recognised in profit or loss	41	(182)	–	(141)
Loss on disposal of property, plant and equipment	8,037	–	–	8,037
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Finance costs	1,602	265	471	2,338

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION (continued)

(c) Other segment information (continued)

For the year ended 31 March 2024

	Leasing services HK\$'000	Debt collection and credit investigation services HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to property, plant and equipment	37,741	1,976	–	39,717
Depreciation of property, plant and equipment	9,152	2,722	–	11,874
(Reversal of) provision of impairment losses on financial assets recognised in profit or loss	(409)	95	–	(314)
Loss on disposal of property, plant and equipment	8,167	–	–	8,167
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:				
Finance costs	1,767	237	3,233	5,237

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION (continued)

(d) Revenue from major services

The following is an analysis of the Group's revenue from its major services:

	2025 HK\$'000	2024 HK\$'000
Income from debt collection services	23,735	28,896
Income from credit investigation services	19,044	16,186
Income from sales of motor vehicles	14,109	15,880
Revenue from contracts with customers	56,888	60,962
Rental income	26,641	27,816
Interest income arising from sale and leaseback arrangements	–	226
	83,529	89,004
Revenue from contracts with customers		
At a point in time	56,627	60,722
Transferred over time	261	240
	56,888	60,962

(e) Geographical information

The Group's operations are located in the PRC (country of domicile), Hong Kong and Singapore.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets (note)	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
The PRC (country of domicile)	69,340	72,083	58,770	60,239
Hong Kong	10,806	14,858	1,524	545
Singapore	3,383	2,063	4	6
	83,529	89,004	60,298	60,790

Note: Non-current assets include property, plant and equipment only.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

6. REVENUE AND SEGMENT INFORMATION (continued)

(f) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A (note)	8,881	10,784

Note:

Revenue from debt collection and credit investigation services segment.

7. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Bank interest income	11	28
Government subsidies (note)	223	129
Others	138	170
	372	327

Note:

The Group obtained government grants and recognised as income of HK\$223,000 from the local government of the PRC and Singapore in relation to their business development and subsidies of social security for the year ended 31 March 2025. The Group had also obtained government grants and recognised as income of HK\$129,000 from Wage Credit Scheme and Progressive Wage Credit Scheme launched by the government of Singapore for the year ended 31 March 2024. In the opinion of the directors of the Company, the Group has fulfilled all conditions attached to the grants.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

8. OTHER GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000
Foreign exchange gain (loss), net	78	(757)
Fair value (loss) gain on derivative financial liabilities (note 31)	(639)	3,859
Fair value loss on contingent consideration payables (note 33)	(618)	(72)
Loss on capitalisation of a loan note (note 32)	–	(2,485)
Gain on early termination of lease contracts	22	–
	(1,157)	545

9. PROVISION OF (REVERSAL OF) IMPAIRMENT LOSSES AND EXPECTED CREDIT LOSSES

	2025 HK\$'000	2024 HK\$'000
(Reversal of) provision for expected credit losses recognised on:		
– lease receivables and receivables arising from sale and leaseback arrangements (note 18)	–	(455)
– trade receivables (note 19)	(141)	141
Impairment losses recognised on:		
– property, plant and equipment (note 16)	143	–
	2	(314)

10. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank borrowings of the Alpha & Leader Group (as defined in note 17)	51	97
Interest on amount due to a related company	1,591	1,767
Interest on amount due to a shareholder	204	1,186
Interest on lease liabilities (note 16)	212	133
Interest on amount due to the non-controlling substantial shareholder of the Alpha & Leader Group	2	7
Imputed interest on loan note (note 32)	–	1,587
Imputed interest on convertible bonds (note 30)	267	460
Interest on other borrowing	11	–
	2,338	5,237

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

11. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax		
Enterprise Income Tax in the PRC	166	20
Enterprise Income Tax in the Singapore	80	–
	246	20
Under provision in prior years		
Enterprise Income Tax in the PRC	17	55
Income tax expense	263	75

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Pursuant to the approval of the tax bureau, in accordance with the Enterprise Income Tax Law of the PRC (the “EIT Law”) and the Implementation Regulation of the EIT Law, six (2024: one) subsidiaries are subject to the tax rate of 20% on 25% of assessable profit, which assessable profits under RMB1,000,000, for Small Low-Profit Enterprises. Other subsidiaries located in the PRC are subject to the PRC Enterprise Income Tax at a rate of 25% (2024: 25%) on their assessable profits.

The income tax expense for the year can be reconciled to the loss before tax in the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before tax	(6,514)	(7,504)
Tax calculated at the rates applicable to respective tax jurisdictions	(932)	(995)
Tax effect of income not taxable for tax purposes	(20)	(647)
Tax effect of expenses not deductible for tax purposes	1,172	3,098
Tax effect of tax losses and temporary differences not recognised	3,617	863
Tax effect of utilisation of tax losses and temporary differences previously not recognised	(3,591)	(2,299)
Under provision in prior years	17	55
Income tax expense	263	75

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

11. INCOME TAX EXPENSE (continued)

No withholding tax has been provided for both years in the consolidated financial statements. Under the EIT Law, withholding tax of 5% is imposed on dividends declared in respect of profits earned by the subsidiaries in the PRC from 1 January 2008 onwards. As at 31 March 2025 and 2024, there is no temporary differences associated with undistributed earnings of the subsidiaries in the PRC has been recognised as it has recorded losses for the years and the directors of the Company considered that the subsidiaries in the PRC would not distribute any further dividend in the foreseeable future.

As at 31 March 2025, the Group had unused tax losses of HK\$110,392,000 (2024: HK\$107,592,000) and had deductible temporary differences of HK\$106,198,000 (2024: HK\$106,431,000) available for offset against future profits. No deferred tax asset has been recognised in relation to such deductible temporary differences due to unpredictability of future profits stream.

12. LOSS FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Loss for the year has been arrived at after charging:		
Directors' remuneration (note 13):		
– Fee	811	822
– Short-term employee benefits	1,032	1,032
– Retirement benefit scheme contributions	18	18
– Equity-settled share-based payments	250	304
Salaries, allowances and other staff benefits	23,737	25,054
Staff's retirement benefit scheme contributions	914	1,110
Staff's equity-settled share-based payments	400	148
Total staff costs	27,162	28,488
Depreciation of motor vehicles for rent (included in cost of services)	11,834	9,152
Depreciation of other property, plant and equipment (included in other operating expenses)	2,679	2,722
Depreciation of property, plant and equipment	14,513	11,874
Auditor's remuneration	1,225	1,288
Legal and professional fees	1,462	5,021
Cost of motor vehicles sold (included in cost of services)	22,146	24,047
Loss on disposal of property, plant and equipment	8,037	8,167
Cost of debt collection and credit investigation services (included in cost of services)	6,763	5,854
Short-term lease expenses	1,512	1,603

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

(a) Directors and the chief executive

Directors' and chief executive's remuneration for the year, is as follows:

Name of directors	Directors' fee HK\$'000	Retirement benefit scheme contributions HK\$'000	Other emoluments mainly salaries and other benefits HK\$'000	Discretionary performance bonus HK\$'000	Equity-settled share-based payments HK\$'000	Total HK\$'000
For the year ended 31 March 2025						
Executive director:						
Ms. Wong Emilie Hoi Yan	-	18	1,032	-	104	1,154
Non-executive directors:						
Mr. Lau Hiu Fung (note (i))	120	-	-	-	106	226
Ms. Wong Jacqueline Yue Yee	120	-	-	-	10	130
Ms. Wong Michelle Yatyee	120	-	-	-	10	130
Mr. Wong Ming Bun David	120	-	-	-	-	120
Independent non-executive directors:						
Mr. Lie Chi Wing	120	-	-	-	8	128
Mr. Ng Wing Chung Vincent (note (iii))	60	-	-	-	4	64
Mr. Ng Yuk Yeung Paul (note (i))	120	-	-	-	8	128
Mr. Liu Chi Wai (note (ii))	31	-	-	-	-	31
	811	18	1,032	-	250	2,111

Name of directors	Directors' fee HK\$'000	Retirement benefit scheme contributions HK\$'000	Other emoluments mainly salaries and other benefits HK\$'000	Discretionary performance bonus HK\$'000	Equity-settled share-based payments HK\$'000	Total HK\$'000
For the year ended 31 March 2024						
Executive director:						
Ms. Wong Emilie Hoi Yan	-	18	1,032	-	51	1,101
Non-executive directors:						
Mr. Lau Hiu Fung (note (i))	111	-	-	-	35	146
Ms. Wong Jacqueline Yue Yee	120	-	-	-	20	140
Ms. Wong Michelle Yatyee	120	-	-	-	20	140
Mr. Wong Ming Bun David	120	-	-	-	167	287
Independent non-executive directors:						
Mr. Lie Chi Wing	120	-	-	-	4	124
Mr. Ng Wing Chung Vincent (note (iii))	120	-	-	-	4	124
Mr. Ng Yuk Yeung Paul (note (i))	111	-	-	-	3	114
	822	18	1,032	-	304	2,176

Notes:

- (i) Appointed on 28 April 2023.
- (ii) Appointed on 30 December 2024.
- (iii) Resigned on 30 September 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

(b) Five highest paid employees

The five highest paid employees of the Group (excluding amounts paid or payable by way of commissions on sales generated by the employee concerned) during the year included one (2024: one) director, details of whose remuneration are set out in note 13(a) above. Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and other benefits	3,270	3,655
Equity-settled share-based payments	39	21
Staff's retirement benefit scheme contributions	57	72
	3,366	3,748

Their emoluments were within the following bands:

	2025 Number of individuals	2024 Number of individuals
Nil to HK\$1,000,000	3	2
HK\$1,000,001 to HK\$1,500,000	1	2

During both years, the executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group, no emoluments were paid by the Group to any of the directors or the chief executive of the Company or the five highest paid employees (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors or the chief executive of the Company waived or agreed to waive any emoluments during both years.

The non-executive directors and independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

14. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the year ended 31 March 2025, nor has any dividend been proposed since the end of the reporting period (2024: nil).

15. LOSS PER SHARE

	2025 HK\$'000	2024 HK\$'000
Loss:		
Loss for the year attributable to owners of the Company for the purpose of basic loss per share	(8,112)	(9,615)
	2025 '000	2024 '000
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic loss per share	595,682	451,928

The basic loss per share is calculated based on the loss attributable to owners of the Company and the weighted average number of ordinary shares for the years ended 31 March 2025 and 2024.

No diluted loss per share for 2025 was presented as there were no potential ordinary shares in issue for 2025.

The calculation of loss per share for the years ended 31 March 2025 and 2024 did not assume the conversion of the Company's outstanding convertible bonds nor the exercise of the Company's outstanding share options as the assumed conversion would result in a decrease in loss per share.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

16. PROPERTY, PLANT AND EQUIPMENT

	Furniture, fixtures and other fixed assets HK\$'000	Motor vehicles for own use HK\$'000	Motor vehicles for rent HK\$'000	Other properties leased for own use HK\$'000	Total HK\$'000
COST					
At 1 April 2023	297	790	65,452	6,309	72,848
Exchange adjustments	(2)	(33)	(2,578)	(269)	(2,882)
Additions	40	–	37,741	1,936	39,717
Disposals	–	(20)	(30,677)	–	(30,697)
Reduction upon completion of leases	–	–	–	(1,046)	(1,046)
At 31 March 2024	335	737	69,938	6,930	77,940
Exchange adjustments	–	–	(66)	8	(58)
Additions	107	–	31,275	5,525	36,907
Disposals	–	–	(31,613)	(801)	(32,414)
Reduction upon completion of leases	–	–	–	(2,715)	(2,715)
At 31 March 2025	442	737	69,534	8,947	79,660
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 April 2023	136	237	10,164	3,105	13,642
Exchange adjustments	(1)	(12)	(488)	(169)	(670)
Provided for the year	88	136	9,152	2,498	11,874
Eliminated on disposals	–	(20)	(6,630)	–	(6,650)
Eliminated on reduction upon completion of leases	–	–	–	(1,046)	(1,046)
At 31 March 2024	223	341	12,198	4,388	17,150
Exchange adjustments	–	–	(20)	(5)	(25)
Provided for the year	81	133	11,834	2,465	14,513
Impairment losses recognised in profit or loss (note)	–	–	143	–	143
Eliminated on disposals	–	–	(9,467)	(237)	(9,704)
Eliminated on reduction upon completion of leases	–	–	–	(2,715)	(2,715)
At 31 March 2025	304	474	14,688	3,896	19,362
CARRYING VALUES					
At 31 March 2025	138	263	54,846	5,051	60,298
At 31 March 2024	112	396	57,740	2,542	60,790

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

16. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Furniture, fixtures and other fixed assets	3 to 6 years
Motor vehicles for own use	3 to 5 years
Motor vehicles for rent	4 to 8 years
Other properties leased for own use	Over the shorter of the term of the lease, which ranges from 1 to 3 years, along with the expected useful lives

Note:

As at 31 March 2025, management identified impairment indicator of motor vehicles for rent included in property, plant and equipment due to deteriorated physical conditions of the rental vehicles. After the impairment assessment by management, impairment loss of approximately HK\$143,000 (2024: nil) was recognised in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 March 2025.

Right-of-use assets

The followings are the expenses in relation to leases recognised in profit or loss:

	2025 HK\$'000	2024 HK\$'000
Depreciation charge of other properties leased for own use	2,465	2,498
Interest on lease liabilities (note 10)	212	133
Short-term lease expenses	1,512	1,603

During the year ended 31 March 2025, additions to right-of-use assets were HK\$5,525,000 (2024: HK\$1,936,000). The additions are non-cash transactions.

The total cash outflow for leases for the year ended 31 March 2025 was HK\$4,453,000 (2024: HK\$4,204,000).

Details of the maturity analysis of lease liabilities are set out on note 26.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

17. GOODWILL

	Acquisition of the Alpha & Leader Group HK\$'000	Acquisition of the UMH Group HK\$'000	Total HK\$'000
COST			
At 1 April 2023	20,216	6,293	26,509
Exchange adjustments	–	(273)	(273)
At 31 March 2024 and 2025	20,216	6,020	26,236
IMPAIRMENT			
At 1 April 2023, 31 March 2024 and 2025	17,236	–	17,236
CARRYING VALUES			
At 31 March 2025	2,980	6,020	9,000
At 31 March 2024	2,980	6,020	9,000

Impairment testing on goodwill

For the purposes of impairment testing, goodwill has been allocated to two individual cash-generating units, comprising one sub-group of subsidiaries in the debt collection and credit investigation services segment and one sub-group of subsidiaries in the operating lease service segment. The carrying amounts of goodwill (net of accumulated impairment losses) allocated to these units are as shown in the movement above.

Impairment testing on goodwill arising from Alpha & Leader Risks and Assets Management Company Limited (“Alpha & Leader”) and its subsidiaries (collectively referred to as the “Alpha & Leader Group”)

The recoverable amount of the Alpha & Leader Group has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and pre-tax discount rate of 19.7% (2024: pre-tax discount rate of 21.2%). The Alpha & Leader Group's cash flows beyond the 5-year period are extrapolated using a steady 3.0% (2024: 3.0%) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

During the years ended 31 March 2025 and 2024, management of the Group determines that there is no impairment on the Alpha & Leader Group.

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For the year ended 31 March 2025

17. GOODWILL (continued)

Impairment testing on goodwill arising from Alpha & Leader Risks and Assets Management Company Limited (“Alpha & Leader”) and its subsidiaries (collectively referred to as the “Alpha & Leader Group”) (continued)

The recoverable amount is significantly above the carrying amount of the Alpha & Leader Group. Management of the Group believes that any reasonably possible change in any of these assumptions would not result in impairment.

Impairment testing on goodwill arising from the UMH Group

The recoverable amount of the UMH Group has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management of the Group covering a 5-year period, and pre-tax discount rate of 17.4% (2024: pre-tax discount rate of 18.9%). The UMH Group's cash flows beyond the 5-year period are extrapolated using a steady 3.0% (2024: 3.0%) growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit's past performance and management's expectations for the market development.

During the years ended 31 March 2025 and 2024, management of the Group determines that there is no impairment on the UMH Group.

The recoverable amount is significantly above the carrying amount of the UMH Group. Management of the Group believes that any reasonably possible change in any of these assumptions would not result in impairment.

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For the year ended 31 March 2025

18. LEASE RECEIVABLES AND RECEIVABLES ARISING FROM SALE AND LEASEBACK ARRANGEMENTS

The Group provides leasing services in the PRC.

	Minimum lease payments	
	2025 HK\$'000	2024 HK\$'000
Lease receivables and receivables arising from sale and leaseback arrangements comprise:		
Within one year	470,417	452,189
In more than one year but not more than two years	17,015	18,228
In more than two years but not more than three years	–	17,015
	487,432	487,432
Less: unearned finance income	(7,880)	(7,880)
	479,552	479,552
Less: impairment allowance	(479,552)	(479,552)
	–	–
Analysed for reporting purposes as:		
Current assets	–	–

The Group's lease receivables and receivables arising from sale and leaseback arrangements are denominated in RMB which is the functional currency of the relevant group entity. The effective interest rates of the above lease receivables and receivables arising from sale and leaseback arrangements range mainly from 8% to 15% (2024: 8% to 15%) per annum as at 31 March 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

18. LEASE RECEIVABLES AND RECEIVABLES ARISING FROM SALE AND LEASEBACK ARRANGEMENTS (continued)

Lease receivables and receivables arising from sale and leaseback arrangements are mainly secured by leased assets which are used in laser processing, plastics, industrial processing, textile and garment, hotel and leisure and other industries, customers' deposits and leased assets repurchase arrangement where applicable. Customers' deposits are collected and calculated based on a certain percentage of the entire value of the lease contract. The deposits are returned to the customers in portion over the lease contract or in full by end of lease period according to the terms of the lease contract. When the lease contract expires and all liabilities and obligations under the lease contract had been fulfilled, the lessor must return the full lease deposits to the lessee. The balance of the customers' deposits can also be applied and used to settle any outstanding lease payments for the corresponding lease contract. Additional collateral may be obtained from customers to secure their repayment obligations under leases and sale and leaseback arrangements and such collaterals include vessels, commercial and residential properties, equipment and machineries. There was no unguaranteed residual value of leased assets and no contingent rent arrangement that needed to be recognised in both periods.

Lease receivables and receivables arising from sale and leaseback arrangements were considered credit-impaired when the customers fail to settle according to the settlement terms for more than 90 days after taking into consideration the recoverability of collateral and deposits. As at 31 March 2025, the gross carrying amounts of lease receivables and receivables arising from sale and leaseback arrangements of HK\$479,552,000 (2024: HK\$479,552,000) were determined to be impaired under the lifetime ECL. The lifetime ECL impaired receivables related to those credit exposures where there has been a significant increase in credit risk since initial recognition, which the loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

Movement of the provision for impairment losses on lease receivables and receivables arising from sale and leaseback arrangements is as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 April 2024 or 2023	479,552	501,805
Reversal of impairment losses recognised, net (note 9)	–	(455)
Exchange realignment	–	(21,798)
At 31 March 2025 or 2024	479,552	479,552

The Group has taken measures to collect lease receivables and receivables arising from sale and leaseback arrangements through various channels including lawsuit against to these borrowers and renegotiation of repayment plans and other methods in order to recover the outstanding amounts from the lease receivables.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

19. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables arising from debt collection and credit investigation services	6,409	6,448
Less: allowance for credit losses	(388)	(572)
Net trade receivables arising from debt collection and credit investigation services	6,021	5,876
Trade receivables arising from leasing services	1,179	1,006
Less: allowance for credit losses	(377)	(336)
Net trade receivables arising from leasing services	802	670
Total trade receivables, net of allowance for expected credit losses	6,823	6,546

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates.

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	4,383	3,572
31 to 60 days	1,188	395
61 to 90 days	775	2,028
Over 90 days	477	551
	6,823	6,546

The credit terms of the trade receivables for debt collection and credit investigation services are ranged from 0 to 60 days from the date of billing.

The Group normally grants credit terms to its customers according to industry practice together with consideration of their creditability and repayment history. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

19. TRADE RECEIVABLES (continued)

For leasing services, the customers are obliged to settle the amounts according to the terms set out in relevant contracts and, normally, no credit period was granted to customers.

As at 31 March 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$1,924,000 (2024: HK\$3,176,000) which are past due as at the reporting date. Out of the past due balances, HK\$477,000 (2024: HK\$551,000) has been past due 90 days or more and is not considered as in default.

Movement of the provision for impairment losses on trade receivables is as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 April 2024 or 2023	908	804
(Reversal of) provision of impairment losses recognised (note 9)	(141)	141
Exchange realignment	(2)	(37)
At 31 March 2025 or 2024	765	908

Details of impairment assessment of trade receivables are set out in note 40.

20. PREPAYMENTS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Prepayments	370	122
Other receivables	530	1,060
	900	1,182

21. CASH AND CASH EQUIVALENTS

As at 31 March 2025, bank balances carry interest at market rates ranged from 0.01% to 0.15% (2024: 0.01% to 0.15%) per annum.

The bank balances and cash that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	2025 HK\$'000	2024 HK\$'000
HK\$	84	644
United States dollars ("US\$")	924	388
	1,008	1,032

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For the year ended 31 March 2025

22. TRADE PAYABLES

The following is an aged analysis of trade payable presented based on the invoice date.

	2025 HK\$'000	2024 HK\$'000
0 to 30 days	–	107
31 to 60 days	5	24
61 to 90 days	81	108
Over 90 days	93	130
	179	369

The average credit period on purchase of services is 90 days.

23. DEPOSITS FROM CUSTOMERS

	2025 HK\$'000	2024 HK\$'000
Deposits received from customers of leasing services business:		
Current	4,886	7,934

24. OTHER PAYABLES AND ACCRUED CHARGES

	2025 HK\$'000	2024 HK\$'000
Other tax payables	223	247
Advance receipt from customers	344	371
Accrued charges	2,569	4,011
Amounts due to the non-controlling substantial shareholders of the Alpha & Leader Group (note)	1,870	1,456
Other payables	88	468
	5,094	6,553

Note: At 31 March 2024, the amount due to a non-controlling substantial shareholder of the Alpha & Leader Group of HK\$96,000 is unsecured, interest bearing at 3% per annum and settled during the year ended 31 March 2025. The remaining balances of HK\$1,870,000 (2024: HK\$1,360,000) due to the non-controlling substantial shareholders of the Alpha & Leader Group are unsecured, interest-free and repayable on demand.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

25. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Contract liabilities arising from:		
Debt collection and credit investigation services	4,824	5,130
Leasing services	378	189
	5,202	5,319

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Cash vouchers arising from debt collection and credit investigation services

The Group issues cash vouchers, ranged from 85% to 100% of the face value and these cash vouchers are non-refundable and an expiration period from 2 to 3 years. The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

Movement in contract liabilities

	2025 HK\$'000	2024 HK\$'000
At 1 April 2024 or 2023	5,319	4,551
Revenue recognised from performance obligations satisfied during the year	(4,932)	(2,335)
Cash receipts in advance during the year	4,815	3,270
Exchange adjustments	–	(167)
At 31 March 2025 or 2024	5,202	5,319

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

26. LEASE LIABILITIES

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

	2025		2024	
	Present value of minimum lease payments HK\$'000	Minimum lease payments HK\$'000	Present value of minimum lease payments HK\$'000	Minimum lease payments HK\$'000
Within one year	2,405	2,596	1,603	1,683
After one year but within two years	2,009	2,093	769	801
Later than two years but within three years	647	655	251	257
	5,061	5,344	2,623	2,741
Less: total future interest expenses		(283)		(118)
Present value of lease liabilities		5,061		2,623
Analysed for reporting purposes as:				
Current liabilities		2,405		1,603
Non-current liabilities		2,656		1,020
		5,061		2,623

At 31 March 2025, the weighted average incremental borrowing rates applied to lease liabilities range from 4.75% to 5.13% (2024: from 4.75% to 5.13%) per annum.

27. BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Unsecured	763	2,050
The carrying amounts of the above borrowings are repayable*:		
Within one year	763	1,285
Within a period of more than one year but not exceeding two years	–	765
	763	2,050
Less: amounts shown under current liabilities	(763)	(1,285)
Amounts shown under non-current liabilities	–	765

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

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For the year ended 31 March 2025

27. BANK BORROWINGS (continued)

The exposure of the Group's variable-rate borrowings is as follows:

	2025 HK\$'000	2024 HK\$'000
Variable-rate borrowings	763	2,050

As at 31 March 2025, the Group's bank borrowings only represented the borrowings of the Alpha & Leader Group with carrying amount of approximately HK\$763,000 (2024: HK\$2,050,000) which were guaranteed by the non-controlling substantial shareholders of Alpha & Leader Group.

As at 31 March 2025, the Group's variable-rate borrowings carry interest at the rate of 3.0% (2024: 3.63%) per annum.

The Group's bank borrowings are denominated in HK\$ which are the functional currencies of the relevant group entities.

28. AMOUNT DUE TO A RELATED COMPANY

	2025 HK\$'000	2024 HK\$'000
Shanghai Nanlang Automobile Technology Co., Ltd.* (上海南朗汽車科技有限公司) (formerly known as Shanghai Nanlang Finance Lease Co., Ltd.* (上海南朗融資租賃有限公司)) ("Shanghai Nanlang") (note I)	34,269	32,817
The carrying amount of the above borrowing is repayable (note II):		
Within one year	32,675	28,347
	32,675	28,347
The carrying amount of the above borrowing that contains a repayment on demand clause but repayable:		
Within one year	1,594	4,470
	34,269	32,817
Less: amounts due within one year shown under current liabilities	(34,269)	(32,817)
Amounts shown under non-current liabilities	—	—

* For identification purpose only

Notes:

- I. Shanghai Nanlang is an indirect non-wholly-owned subsidiary of Goldbond, the controlling shareholder of the Company and the UMH Group. As at 31 March 2025 and 2024, Goldbond is the controlling shareholder of the Company. During the period from 1 April 2023 to 18 January 2024, Goldbond has significant influence over the UMH Group. Therefore, Shanghai Nanlang is considered as a related company of the Company.
- II. The amounts due are based on scheduled repayment dates set out in the loan agreements.

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For the year ended 31 March 2025

28. AMOUNT DUE TO A RELATED COMPANY (continued)

The loan facilities offered by Shanghai Nanlang are as follows:

- (i) loan facilities of a maximum amount of RMB40,000,000, carried interest at 4.5% per annum and repayable on the third anniversary from the first date of loan drawdown, and the maturity date is 30 June 2023. On 28 June 2023, the Group entered into a supplementary agreement with Shanghai Nanlang and extended the maturity date of the loan facilities to 1 July 2024 at 5.0% interest rate per annum, in which the principal amounts of RMB28,751,000 (equivalent to approximately HK\$31,251,000) (2024: RMB25,086,000 (equivalent to approximately HK\$27,267,000)) were utilised, and the remaining amount of RMB11,249,000 (equivalent to approximately HK\$12,227,000) (2024: RMB14,914,000 (equivalent to approximately HK\$16,211,000)) are un-utilised and available as at 31 March 2025;

On 18 June 2024, the Group entered into a supplementary agreement with Shanghai Nanlang and extended the maturity date of the loan facilities to 2 July 2025.

In June 2025, the Group entered into another supplementary agreement with Shanghai Nanlang, further extended the maturity date of the loan facilities to 2 July 2026.

- (ii) loan facilities of a maximum amount of RMB20,000,000 (2024: RMB20,000,000) offered by Shanghai Nanlang, carried interest at 6% (2024: 6.0%) per annum and repayable on the third anniversary from the first date of loan drawdown (i.e. the maturity date being 20 October 2024), in which the principal amount of approximately RMB1,337,000 (equivalent to approximately HK\$1,453,000) (2024: RMB3,666,000 (equivalent to approximately HK\$3,985,000)) was utilised, and the remaining amount of RMB18,663,000 (equivalent to HK\$20,286,000) was un-utilised and available as at 31 March 2025. The amount due to Shanghai Nanlang is unsecured and repayable on demand.

During the year ended 31 March 2025, the Group entered into a supplementary agreement with Shanghai Nanlang and extended the maturity date of the loan facilities to 21 October 2025.

The corresponding interest expenses were recognised as “finance costs” in profit or loss for the years ended 31 March 2025 and 2024 (note 10). The amount due to a related company is denominated in RMB which is the functional currency of the relevant group entities.

Subsequent to the end of the reporting period, the subsidiaries of the Group have obtained a letter from Shanghai Nanlang that Shanghai Nanlang will not demand the subsidiaries of the Group to repay the any outstanding amounts with the next twelve months from 31 March 2025 and from date of issuance of the consolidated financial statements.

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29. AMOUNT DUE TO A SHAREHOLDER

	2025 HK\$'000	2024 HK\$'000
Goldbond	7,955	381
The carrying amount of the above borrowing that contains a repayment on demand clause but repayable:		
Within one year	1,442	381
Within a period of more than one year but not exceeding three years	6,513	–
	7,955	381
Less: amounts due within one year shown under current liabilities	(1,442)	(381)
Amounts shown under non-current liabilities	6,513	–

Balances were due to Goldbond, a controlling shareholder of the Company.

At 31 March 2023, the loan facilities offered by Goldbond of a maximum amount of HK\$50,000,000, carried interest at 6.0% per annum and repayable on the third anniversary from the first date of loan drawdown.

On 18 January 2024, the amount due to a shareholder of HK\$32,602,000 was fully settled by way of capitalisation. Details of the settlement are disclosed in note 35(ii).

On 1 May 2024, the Company and Goldbond entered into a loan agreement pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK\$18,000,000 to fund the general working capital of the Company, at 6% per annum and maturity on the third anniversary of the first drawdown date (the “**2024 Goldbond Loan Agreement**”). The availability period commenced on the date of the 2024 Goldbond Loan Agreement and will end on the earlier of three years after the date of the 2024 Goldbond Loan Agreement or the date on which the facility is fully drawn, cancelled or terminated. The maturity date of such facility will be on 30 April 2027. In relation to this facility, the amount of HK\$6,513,000 was utilised and the remaining amount of HK\$11,487,000 was un-utilised and available as at 31 March 2025.

Apart from this, there was an amount due to a shareholder of HK\$1,442,000 (2024: HK\$381,000) representing the rental expenses and interest expenses accrued, which is unsecured, interest-free and repayable on demand.

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30. CONVERTIBLE BONDS

The Company issued three-year, interest-free, redeemable convertible bonds (the “**Convertible Bonds**”) at an aggregate principal amount of HK\$3,811,500 on 4 March 2022. The Convertible Bonds are denominated in HK\$ and are unsecured. The maturity date (the “**Maturity Date I**”) is the date falling immediately before the third anniversary of the date of issue of the Convertible Bonds, i.e. 3 March 2025. The Convertible Bonds entitle the holders to convert them into ordinary shares of the Company at any time commencing from the seventh day after the date of issue of the convertible bonds to the seventh day (inclusive) before the Maturity Date I at a conversion price of HK\$0.154 per conversion share, subject to restrictions and adjustments in accordance with the terms and conditions of the Convertible Bonds. Unless already converted or redeemed in accordance with the conditions and terms of the Convertible Bonds, the Company shall redeem the outstanding principal amount at the redemption price (being 100% of the then outstanding principal amount) at Maturity Date I.

The conversion options are not settled by exchange of a fixed amount of cash or another asset for a fixed number of the Company’s own shares. Hence, the Convertible Bonds contain two components, debt component and derivative (including conversion options) component. The effective interest rate of the debt component is 19.8% (2024: 19.8%) per annum. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

The movement of the debt and derivative components of the Convertible Bonds for the year is set out as below:

	Debt component HK\$'000	Derivative component HK\$'000
At 1 April 2023	2,692	1,285
Imputed interest charged (note 10)	460	–
Loss arising on changes of fair value	–	4,467
Conversion of Convertible Bonds (note 35)	(992)	(2,374)
At 31 March 2024	2,160	3,378
Imputed interest charged (note 10)	267	–
Loss arising on changes of fair value	–	639
Conversion of Convertible Bonds (note 35)	(2,427)	(4,017)
At 31 March 2025	–	–

The binomial option pricing model is used for valuation of the derivative component. The key inputs used in the model are disclosed in note 40.

The Convertible Bonds were issued to Goldbond, a controlling shareholder of the Company.

On 17 August 2023, Goldbond exercised its early conversion right to convert convertible bonds with principal amount of HK\$1,270,500 at a conversion price of HK\$0.154 per conversion share and Goldbond was allotted and issued 8,250,000 shares of the Company (note 35(i)).

On 3 December 2024, Goldbond exercised its early conversion right to convert all outstanding convertible bonds with principal amount of HK\$2,541,000 at a conversion price of HK\$0.154 per conversion share and Goldbond was allotted and issued 16,500,000 shares of the Company (note 35(iv)).

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31. DERIVATIVE FINANCIAL LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Derivative financial liabilities:		
Potential additional compensations arising from the acquisition of the Alpha & Leader Group (note (i))	–	–
Conversion options of the Convertible Bonds arising from the acquisition of the UMH Group (note 30 and note (ii))	–	3,378
	–	3,378
Analysed for reporting purposes as:		
Current liabilities	–	3,378

Notes:

- (i) On 25 August 2021, the Company entered into a lock-up agreement with the Vendors (the “**Vendors**”, as defined in the Company’s circular dated 30 June 2021), Goldbond, Silver Creation and Solomon Glory in respect of the acquisition of 51% equity interest in the Alpha & Leader Group. Pursuant to the lock-up agreement, the restricted period with respect to disposal of the first tranche transfer shares (the “**First Tranche Transfer Shares**”, as defined in the Company’s circular dated 30 June 2021) by the Vendors shall be 18 months immediately following the date of shares transfer from Silver Creation. In respect of the First Tranche Transfer Shares only, after 6 months following the date of transfer of the First Tranche Transfer Shares, the Vendors could, by notice in writing sent to the Company, notify the Company of their intention to dispose of all or part of the First Tranche Transfer Shares in the open market through the Stock Exchange during the aforesaid 18-month restricted period but the Vendors shall sell the First Tranche Transfer Shares to independent third parties in the open market through the Stock Exchange at the prevailing market price. In the event that the relevant First Tranche Transfer Shares were disposed of in the open market through the Stock Exchange at a price of less than HK\$0.4 per share, the shortfall amount (being the difference between HK\$0.4 and the average trading price of the relevant First Tranche Transfer Shares being sold in the open market) shall be compensated by the Company to the Vendors in cash.

The derivative financial liability was stated at fair value based on the valuation performed by an independent firm of professional valuer. As at 31 March 2024, the fair value of the derivative financial liability was assessed as nil. As at 31 March 2024, the fair value of the derivative financial liability was decreased by HK\$8,326,000 and the gain was recognised in profit or loss for the year ended 31 March 2024 (note 8).

The lock-up period was originally ended on 24 February 2023, and the Company, the Vendors, Goldbond, Solomon Glory and Silver Creation further negotiated this matter, and on 4 April 2023, the Company, the Vendors, Goldbond, Solomon Glory and Silver Creation formally entered into a supplemental lock-up agreement (the “**Supplemental Lock-up Agreement**”) in respect of the extension of the period during which the compensation arrangement is applicable.

Pursuant to the Supplemental Lock-up Agreement, in respect of the First Tranche Transfer Shares only, during the period from the date of resumption of trading in the Shares on the Stock Exchange (the “**Resumption Date**”) to the 151st day immediately following the Resumption Date (both days inclusive) (the “**Additional Compensation Period**”). For details of the Supplemental Lock-up Agreement, please refer to the Company’s announcement dated 4 April 2023.

No compensation was provided by the Company during the year ended 31 March 2024 and the compensation arrangement has lapsed as at 31 March 2024.

- (ii) The conversion options of the Convertible Bonds were issued to Goldbond, a controlling shareholder of the Company. The derivative financial liability was stated at fair value based on the valuation performed by an independent firm of professional valuer. At the inception date, the fair value of the derivative financial liability was assessed as HK\$874,000. As at 3 December 2024, the fair value of the derivative financial liability was increased by HK\$639,000 (31 March 2024: HK\$4,467,000) and the loss was recognised in profit or loss for the year ended 31 March 2025 (note 8).

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32. LOAN NOTE

	2025 HK\$'000	2024 HK\$'000
At 1 April 2024 or 2023	–	10,252
Imputed interest charged (note 10)	–	1,587
Loss on capitalisation of a loan note (note 8)	–	2,485
Capitalisation (note 35 (ii))	–	(14,324)
At 31 March 2025 or 2024	–	–

The Company issued three-year, redeemable loan note (the “**Loan Note**”) at an aggregate principal amount of HK\$13,188,500 at 4.58% per annum on 4 March 2022. The Loan Note is denominated in HK\$ and are unsecured. No collateral shall be provided by the Company. The maturity date (the “**Maturity Date II**”) is the date falling immediately before the third anniversary of the date of issue of the Loan Note, i.e. 3 March 2025. Subject to the terms and conditions of the Loan Note, the Company shall at its absolute discretion be entitled to redeem the Loan Note in whole or in part at any time before the Maturity Date II. The effective interest rate of the Loan Note is 19.8% per annum.

The Loan Note was issued to Goldbond, a controlling shareholder of the Company.

On 18 January 2024, the Loan Note of HK\$14,324,000 was fully settled by way of capitalisation. Details of the settlement are disclosed in note 35(ii).

33. CONTINGENT CONSIDERATION PAYABLES

	2025 HK\$'000	2024 HK\$'000
Promissory notes to be issued (note (a))	3,158	2,540
Cash consideration payable (note (b))	–	–
	3,158	2,540

Notes:

- (a) The amount represented the fair value of three tranches of promissory notes to be issued to Solomon Glory Limited (“**Solomon Glory**”), a wholly owned subsidiary of Goldbond, a controlling shareholder of the Company, as compensation for Solomon Glory to transfer certain existing shares of the Company held by it in the maximum number of 38,503,380 shares to the Vendors for the acquisition of 51% equity interest in the Alpha & Leader Group.

The promissory notes to be issued will be unsecured and non-interest bearing. The promissory notes to are expected to be issued in July 2025 and January 2026, and will be settled 13 months from the respective issue dates in settlement of the relevant transfer of existing shares of the Company by tranches by Solomon Glory to the Vendors.

- (b) Cash consideration in the maximum amount of HK\$3,831,256 may be settled by the Company in 2024 in respect of the acquisition of 51% equity interest in the Alpha & Leader Group.

The promissory notes to be issued and cash consideration payable are subject to the consideration adjustment with reference to the financial performance of the Alpha & Leader Group for the year ended 31 December 2021, 2022 and 2023 and hence constitute a contingent consideration arrangement. Details are set out in the Company’s circular dated 30 June 2021.

The transfer shares held by Solomon Glory and deferred cash consideration to be transferred to the Vendors are subject to the profit guarantee given by the vendors as specified and under the heading of “Adjustment to Consideration subject to the profit guarantee” in the Company’s circular dated 30 June 2021.

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33. CONTINGENT CONSIDERATION PAYABLES (continued)

The contingent consideration payables were stated at fair value based on the valuation performed by an independent firm of professional valuer. As at 31 March 2025, the fair value of the contingent consideration payables was assessed as HK\$3,158,000. As at 31 March 2025, the fair value of the contingent consideration payables was increased by HK\$618,000 (2024: HK\$72,000) and the loss was recognised in profit or loss for the year ended 31 March 2025 (note 8).

34. DEFERRED TAXATION

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior years:

	Deferred tax assets	Deferred tax liabilities	
	Lease liabilities HK\$'000	Right-of-use assets HK\$'000	Total HK\$'000
At 1 April 2023	718	(718)	–
(Charged) credited to profit or loss	(96)	96	–
Exchange realignment	(27)	27	–
At 31 March 2024	595	(595)	–
Credited (charged) to profit or loss	540	(540)	–
At 31 March 2025	1,135	(1,135)	–

35. SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	10,000,000,000	100,000
Issued:		
At 1 April 2023	412,509,000	4,125
Issues of shares upon:		
– conversion of Convertible Bonds on 17 August 2023 (note (i))	8,250,000	83
– capitalisation of amount due to a shareholder and loan note on 18 January 2024 (note (ii))	123,490,939	1,235
– the UMH 49% Acquisition on 18 January 2024 (note (iii))	46,052,632	460
Subtotal of issues of shares	177,793,571	1,778
At 31 March 2024 and 1 April 2024	590,302,571	5,903
Issues of shares upon conversion of Convertible Bonds on 3 December 2024 (note (iv))	16,500,000	165
At 31 March 2025	606,802,571	6,068

All the shares issued during both years ranked pari passu in all respects with the then existing shares in issue.

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For the year ended 31 March 2025

35. SHARE CAPITAL OF THE COMPANY (continued)

Notes:

- (i) On 17 August 2023, Goldbond converted convertible bonds of principal amount of HK\$1,270,500 at a conversion price of HK\$0.154 per conversion share and Goldbond was allotted and issued 8,250,000 shares of the Company.

An aggregate amount of debt component of the convertible bonds of HK\$992,000 and derivative component of the convertible bonds HK\$2,374,000 was derecognised upon conversion.

- (ii) On 30 October 2023, Goldbond and the Company entered into the Subscription Agreement (the “**Subscription Agreement**”), pursuant to which Goldbond conditionally agreed to subscribe for, and the Company conditionally agreed to issue and allot the subscription shares (the “**Subscription Shares**”) at the subscription price of HK\$0.38, in which the aggregate consideration payable by Goldbond will be satisfied by way of setting off against the amount due to Goldbond and the loan note (the “**Loan Capitalisation Amount**”). On 18 January 2024, the Company has completed the subscription and Goldbond was allotted and issued 123,490,939 shares of the Company to set off against the total outstanding principal amount and all accrued and unpaid interests of the loan note of HK\$14,324,000 and amount due to a shareholder of HK\$32,602,000 up to 18 January 2024 representing an aggregate amount of HK\$46,926,000. Details can be referred to (i) the announcement dated 30 October 2023; (ii) the circular dated 15 December 2023; and (iii) the announcement dated 18 January 2024 issued by the Company.

- (iii) On 18 January 2024, the Company has completed the acquisition of the additional 49% equity interest in the UMH Group from Goldbond, at the consideration to be satisfied by the issue and allotment of a total of 46,052,632 new shares to Goldbond. Upon completion of the acquisition, the UMH Group became wholly-owned subsidiaries of the Company and the acquisition was accounted for as an equity transaction with non-controlling interest. Therefore, such a change have no impact on goodwill, nor will it give rise to any gain or loss and the difference of HK\$18,535,000 debited to other reserve, being the difference between the fair value of the consideration paid on 18 January 2024 (represented by share capital of HK\$460,000 and share premium of HK\$26,711,000 of 46,052,632 shares issued and allotted at the par value of HK\$0.01 each), and the carrying amount of non-controlling interest at the date of acquisition of approximately HK\$8,636,000, debited to equity of the Group.

- (iv) On 3 December 2024, Goldbond converted convertible bonds of principal amount of HK\$2,541,000 at a conversion price of HK\$0.154 per conversion share and Goldbond was allotted and issued 16,500,000 shares of the Company.

An aggregate amount of debt component of the convertible bonds of HK\$2,427,000 and derivative component of the convertible bonds of HK\$4,017,000 was derecognised upon conversion.

36. SHARE OPTION SCHEME

The Company has adopted the share option scheme (the “**Scheme**”) on 18 December 2015. The purpose of the Scheme is to provide any director and full-time employees or any member of the Group (the “**Participant(s)**”) with opportunity to acquire proprietary interests in the Company and to encourage Participants to work towards enhancing the value of the Company and the shares of the Company for the benefit of the Company and the shareholders of the Company as a whole. The Scheme will provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Participants.

On and subject to the terms of the Scheme and the requirement of the Listing Rules, the Board may offer to grant an option to any Participant as the Board may in its absolute discretion select. The Scheme shall be valid and effective for a period of 10 years commencing on the date it was adopted.

An offer shall remain open for acceptance by the Participant concerned for a period of 14 days from the date of the offer. HK\$1.0 is payable by the Participant to the Company on acceptance of the offer of the option. An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may in its absolute discretion determine which shall not be more than ten years from the date of grant of the option and the Board may at its discretion determine the minimum period for which the option has to be held for restrictions before the exercise of the subscription right attaching to an option.

The total number of shares of the Company issued and to be issued upon exercise of the options granted to each Participant (including exercised, cancelled and outstanding options) in any 12 months period shall not exceed 1.00% of the shares of the Company in issue.

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36. SHARE OPTION SCHEME (continued)

The subscription price in respect of any particular option shall be such price as the Board may in its absolute discretion determine and notified to the Participant in the offer letter at the time of grant of the relevant option but the subscription price shall not be less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share of the Company on the date of grant.

(a) Share options granted on 10 February 2020 (the "2020 Share Options")

The 2020 Share Options were granted to directors, certain members of the senior management and employees of the Company on 10 February 2020 (the "Date of Grant I"). The exercise price of the granted 2020 Share Options is HK\$0.40. The 2020 Share Options were granted conditionally upon completing three years' service.

The fair value of the 2020 Share Options, determined using Binomial-Model, was HK\$0.251 per option. The significant inputs into the model were share price of HK\$0.35 at the Date of Grant I, exercise price shown above, volatility of 86.12%, dividend yield of 0%, an expected option life of ten years and an annual risk-free interest rate of 1.35%. The volatility was assumed based on the daily share price volatility of the Company and comparable companies for a historical observation period equal to the life of the options. Since the Company had a trading history shorter than the life of the options at the time of the Date of Grant I, volatility was calculated with reference to comparable companies listed in Hong Kong, Shenzhen and Shanghai and engaged in similar business as the Company.

(b) Share options granted on 5 December 2023 (the "2023 Share Options")

The 2023 Share options were granted to certain directors, directors of certain subsidiaries of the Company and other employees of the Group on 5 December 2023 (the "Date of Grant II") subject to the rules of the Scheme. The exercise price of the granted 2023 Share Options is HK\$0.40.

The 2023 Share Options shall be valid and effective for a period of 10 years commencing on the Date of Grant II and will end on 4 December 2033.

The weighted average fair value of the 2023 Share Options, determined using Binomial-Model, was HK\$0.261 per option. The significant inputs into the model were share price of HK\$0.39 at the Date of Grant II, exercise price shown above, volatility of 80.56%, dividend yield of 0%, an expected option life of ten years and an annual risk-free interest rate of 3.49%. The volatility was assumed based on the daily share price volatility of the Company for a historical observation period from listing date to Date of Grant II.

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36. SHARE OPTION SCHEME (continued)

The following tables disclose details of movements of share options granted under the Scheme:

Year ended 31 March 2025

	Number of share options					At 31 March 2025
	At 1 April 2024	Granted during the year	Forfeited during the year	Exercised during the year	Lapsed during the year	
Executive director:						
Ms. Wong Emilie Hoi Yan	4,400,000	–	–	–	–	4,400,000
Non-executive directors:						
Mr. Lau Hiu Fung	4,000,000	–	–	–	–	4,000,000
Ms. Wong Jacqueline Yue Yee	800,000	–	–	–	–	800,000
Ms. Wong Michelle Yatyee	800,000	–	–	–	–	800,000
Mr. Wong Ming Bun David	4,000,000	–	–	–	–	4,000,000
Independent non-executive directors:						
Mr. Lie Chi Wing	322,000	–	–	–	–	322,000
Mr. Ng Wing Chung Vincent	322,000	–	–	–	(322,000)	–
Mr. Ng Yuk Yeung Paul	300,000	–	–	–	–	300,000
Directors of certain subsidiaries of the Company and other employees of the Group						
In aggregate	15,650,000	–	–	–	–	15,650,000
Total	30,594,000	–	–	–	(322,000)	30,272,000
Exercisable at the end of the year						5,572,000
Weighted average exercise price (HK\$)	0.40	N/A	N/A	N/A	0.40	0.40

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36. SHARE OPTION SCHEME (continued)

Year ended 31 March 2024

	Number of share options					
	At 1 April 2023	Granted during the year	Forfeited during the year	Exercised during the year	Lapsed during the year	At 31 March 2024
Executive director:						
Ms. Wong Emilie Hoi Yan	400,000	4,000,000	–	–	–	4,400,000
Non-executive directors:						
Mr. Lau Hiu Fung	–	4,000,000	–	–	–	4,000,000
Ms. Wong Jacqueline Yue Yee	400,000	400,000	–	–	–	800,000
Ms. Wong Michelle Yatyee	400,000	400,000	–	–	–	800,000
Mr. Wong Ming Bun David	4,000,000	–	–	–	–	4,000,000
Independent non-executive directors:						
Mr. Lie Chi Wing	22,000	300,000	–	–	–	322,000
Mr. Ng Wing Chung Vincent	22,000	300,000	–	–	–	322,000
Mr. Ng Yuk Yeung Paul	–	300,000	–	–	–	300,000
Directors of certain subsidiaries of the Company and other employees of the Group						
In aggregate	350,000	15,300,000	–	–	–	15,650,000
Total	5,594,000	25,000,000	–	–	–	30,594,000
Exercisable at the end of the year						5,594,000
Weighted average exercise price (HK\$)	0.40	0.40	N/A	N/A	N/A	0.40

Details of the outstanding share options granted under the Scheme are as follows:

Date of grant	Number of share option granted	Exercisable period	Vesting period	Exercise price
The 2023 Share Options				
5 December 2023	11,450,000	31 December 2024 to 4 December 2023	5 December 2023 to 4 December 2023	HK\$0.40
5 December 2023	10,850,000	31 December 2025 to 4 December 2023	5 December 2023 to 4 December 2023	HK\$0.40
5 December 2023	2,700,000	31 December 2026 to 4 December 2023	5 December 2023 to 4 December 2023	HK\$0.40
The 2020 Share Options				
10 February 2020	5,594,000	10 February 2023 to 9 February 2030	10 February 2020 to 9 February 2023	HK\$0.40

During the year ended 31 March 2025, no share option (2024: 25,000,000 share options) were granted and share-based payment expenses of HK\$650,000 (2024: HK\$452,000) have been charged to profit or loss.

The share options outstanding at 31 March 2025 had weighted average exercise price of HK\$0.40 (2024: HK\$0.40) and a weighted average remaining contractual life of 7.98 years (2024: 8.99 years).

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37. RETIREMENT BENEFIT SCHEMES

The Group operates a MPF Scheme for all its qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. Under the rule of MPF Scheme, the Group and its employees are each required to make a contribution to the MPF Scheme at 5% of the employees' relevant income subject to a cap of monthly relevant income as specified in the rules. No forfeited contribution is available to reduce the contribution payable in the future years.

The Group participates in a state-managed defined contribution retirement scheme organised by the relevant local government authority in the PRC. PRC employees of the Group eligible to participate in the retirement scheme are entitled to retirement benefits from the scheme. The Group is required to make monthly contributions to the retirement scheme of the eligible employees at 16% (2024: 16%) of the payroll and the local government authority is responsible for the pension liabilities to these employees upon their retirement.

Total cost recognised in profit or loss in respect of contributions paid or payable to the schemes by the Group for the year ended 31 March 2025 is HK\$932,000 (2024: HK\$1,128,000).

Obligation to pay LSP under Hong Kong Employment Ordinance (Chapter 57)

For the Group's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay LSP to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) \times 2/3 \times Years of service

Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "**Offsetting Arrangement**").

The Amendment Ordinance was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e., 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. On the other hand, the accrued benefits derived from the Group's voluntary contributions made pre-, on or post-transition can continue to be used to offset pre- and post-transition LSP. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date. The Amendment Ordinance has no significant impact on the Group's LSP liability with respect to employees that participate in MPF Scheme.

At the end of the reporting period, there were no forfeited contributions which arose upon employees leaving the schemes prior to their interests in the Group's contributions becoming fully vested and which are available to reduce the contributions payable by the Group in future years.

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38. OPERATING LEASE ARRANGEMENTS

The Group as a lessor

All of the motor vehicles held by the Group for rental purposes have committed lessees for the next one year. Certain of the Group's motor vehicles held for rental purposes, with a carrying amount of HK\$22,146,000 (2024: HK\$24,047,000), have been disposed of since the end of the reporting period.

Undiscounted lease payments receivable on leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	14,983	18,461

39. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to owners of the Company through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the prior year.

The capital structure of the Group consists of bank borrowings, convertible bonds, amount due to a related company and amount due to a shareholder as set out in notes 27, 30, 28 and 29 respectively and equity attributable to owners of the Company, in which comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associated with the share capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through new share issues and raise of new borrowings.

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39. CAPITAL RISK MANAGEMENT (continued)

The total debt to equity ratio at the end of the reporting period was as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
Current liabilities			
Bank borrowings	27	763	1,285
Amount due to a related company	28	34,269	32,817
Amount due to a shareholder	29	1,442	381
Convertible bonds	30	–	2,160
		36,474	36,643
Non-current liabilities			
Bank borrowings	27	–	765
Amount due to a shareholder	29	6,513	–
		6,513	765
Total debt		42,987	37,408
Total equity		17,962	17,738
Total debt to equity ratio		239%	211%

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40. FINANCIAL RISK MANAGEMENT

(a) Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
At amortised cost:		
– Lease receivables and receivables arising from sale and leaseback arrangements	–	–
– Other financial assets	15,877	14,780
	15,877	14,780
Financial liabilities		
Financial liabilities measured at amortised cost:		
– Trade payables	179	369
– Deposits from customers	4,886	7,934
– Other payables	1,958	1,924
– Bank borrowings	763	2,050
– Amount due to a related company	34,269	32,817
– Amount due to a shareholder	7,955	381
– Convertible bonds	–	2,160
Financial liabilities measured at FVTPL:		
– Contingent consideration payables	3,158	2,540
Derivative financial liabilities	–	3,378
Lease liabilities	5,061	2,623
	58,229	56,176

(b) Financial risk management objectives and policies

The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Market risk

Currency risk

The Group has foreign currency denominated monetary assets, and thus exposing the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets, including other receivables, short-term bank deposits and bank balances at the reporting date are as follows:

	2025 HK\$'000	2024 HK\$'000
Assets		
HK\$	–	326
Singapore dollars (“SGD”)	442	–
US\$	924	388

The Group currently does not have a foreign exchange hedging policy to eliminate the currency exposures. However, management monitors the related foreign currency exposure closely and will consider hedging significant foreign currency exposures should the need arise.

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40. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Currency risk (continued)

Sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in US\$, SGD and HK\$ against RMB.

The following table details the Group's sensitivity to a 5% increase and decrease in RMB, the functional currency of respective group entities, against US\$, SGD and HK\$. 5% is the sensitivity rate represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rate. The analysis illustrates the impact for a 5% weakening of US\$, SGD and HK\$ against RMB and a negative number below indicates an increase in loss before tax for the year. For a 5% strengthening of US\$, SGD and HK\$ against RMB, there would be an equal and opposite impact on the loss before tax for the year.

	US\$ impact		SGD impact		HK\$ impact	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Increase in loss	(46)	(19)	(22)	–	–	(16)

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk in relation to bank balances and bank borrowings (see notes 21 and 27 for details of these financial instruments respectively). The Group takes on exposure to the effects of fluctuation in the prevailing levels of market interest rates on the cash flow risks.

Management monitors the related interest exposure closely to ensure the interest rate risk is maintained at an acceptable level.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the Group's RMB denominated variable interest rate financial instruments.

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40. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to variable-rate lease receivables and receivables arising from sale and leaseback arrangements and bank borrowings. The analysis is prepared assuming the amount of asset and liability of variable-rate outstanding at the end of the reporting period are outstanding for the whole year, a 50 basis points increase or decrease each year represents management's assessment of the reasonably possible changes in interest rates. Security deposits, short term bank deposits and bank balances are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate security deposits, short term bank deposits and bank balances is insignificant.

If interest rates had been 50 basis points (2024: 50 basis points) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 March 2025 would increase/decrease by HK\$4,000 (2024: HK\$10,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate lease receivables and receivables arising from sale and leaseback arrangements and bank borrowings. Management of the Group considers that the interest rate risk exposure to change in interest rate of short term bank deposits and bank balances is not significant.

Credit risk

The Group's credit risk is primarily attributable to lease receivables and receivables arising from sale and leaseback arrangements, trade receivables, other receivables, deposits, short term bank deposits and bank balances.

As at 31 March 2025 and 2024, the Group's maximum exposure to credit risk which may 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.

Lease receivables and receivables arising from sale and leaseback arrangements

The Group's concentration of credit risk on lease receivables and receivables arising from sale and leaseback arrangements as at 31 March 2025 includes four (2024: four) major counterparties accounting for 55.5% (2024: 55.5%) of the lease receivables and receivables arising from sale and leaseback arrangements.

The Group is exposed to the concentration of geographical risk on revenue which is generated mostly from customers located in Shanghai, the PRC (2024: Shanghai). The Group has closely monitored the business performance of these customers in the PRC and will consider diversifying its customer base as appropriate.

For lease receivables and receivables arising from sale and leaseback arrangements, in order to minimise the credit risk, credit limits and credit terms granted to customers are approved by delegated officers and follow-up action is taken to recover overdue debts. In addition, the management of the Group reviews the recoverable amount of each individual receivable at the end of the reporting period, ensured adequate collateral is received from these counterparties and taken effective measures to ensure timely collection of outstanding balances.

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40. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in the PRC, which accounted for 60.7% (2024: 61.9%) of the total trade receivables as at 31 March 2025. The Group has concentration of credit risk as 26.8% (2024: 30.2%) and 43.0% (2024: 55.5%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively. In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

In addition, the Group performs impairment assessment under ECL model on trade receivables with significant balances and credit-impaired individually and/or collectively. Reversal of impairment of HK\$141,000 (2024: Impairment of HK\$141,000) is recognised during the year ended 31 March 2025. Details of the quantitative disclosures are set out below in this note.

Other receivables and deposits

For other receivables and deposits, management makes periodic individual assessment on the recoverability of other receivables and deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. Management of the Group believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. For the year ended 31 March 2025 and 2024, the Group assessed the ECL for other receivables and deposits as disclosed in note 20 and the amount of impairment made is sufficient.

Bank balances

The credit risk on liquid funds (i.e. bank balances) is limited because the majority of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has conducted an assessment of ECL according to forward-looking information and use appropriate models and assumptions in its expected measurement of credit losses. These models and assumptions relate to the future macroeconomic conditions and borrower's creditworthiness (e.g. the likelihood of default by customers and the corresponding losses). The Group has adopted judgment, assumptions and estimation techniques in order to measure ECL according to the requirements of accounting standards such as criteria for judging significant increases in credit risk, definition of credit impaired financial asset, parameters for measuring ECL and forward-looking information.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

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

Financial assets at amortised cost	Notes	Internal credit rating	12m or lifetime ECL	2025 Gross carrying amount HK\$'000	2024 Gross carrying amount HK\$'000
Trade receivables	19	Note (ii)	Lifetime ECL (simplified approach) – not credit-impaired	7,588	7,454
Other receivables and deposits	20	Low risk	12m ECL	1,082	1,262
Bank balances	21	Low risk	12m ECL	7,916	6,916
				16,586	15,632

Notes:

- (i) For the purpose of internal credit assessment, the Group based on the financial background, financial condition and the historical settlement records of the debtors, and also quantitative and qualitative information that is reasonable and supportive forward-looking information without undue cost or effort to assess whether credit risk has increased significantly since initial recognition.
- (ii) The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance for trade receivables and lease receivables and receivables arising from sale and leaseback arrangements on lifetime ECL basis.

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables and, lease receivables and receivables arising from sale and leaseback arrangements as at 31 March 2025 and 2024. The average expected loss rate is derived from the gross carrying amount and loss allowance as at 31 March 2025 and 2024 after taken into accounting of the deposits received from customers, historical default rate and forward-looking information when determined the loss allowance. The assessment is performed debtors by debtors.

In the event that an instalment repayment of a lease receivable and receivable arising from sale and leaseback arrangement is past due, the entire outstanding balance of the lease receivable and receivable arising from sale and leaseback arrangement is classified as past due. As at 31 March 2025, the gross carrying amounts of lease receivables and receivables arising from sale and leaseback arrangements of HK\$479,552,000 (2024: HK\$479,552,000) are credit-impaired.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

For the year ended 31 March 2025

	Average expected loss rate	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Trade receivables	10.1%	7,588	765
Lease receivables and receivables arising from sale and leaseback arrangements	100.0%	479,552	479,552

For the year ended 31 March 2024

	Average expected loss rate	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Trade receivables	12.2%	7,454	908
Lease receivables and receivables arising from sale and leaseback arrangements	100.0%	479,552	479,552

Expected loss rates are based on historical loss experience. 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.

Movement in the loss allowance account in respect of lease receivables and receivables arising from sale and leaseback arrangements and trade receivables is as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 April 2024 or 2023	491,347	513,496
(Reversal of) provision of impairment losses recognised, net		
– lease receivables and receivables arising from sale and leaseback arrangements	–	(455)
– trade receivables	(141)	141
Exchange realignment	(2)	(21,835)
At 31 March 2025 or 2024	491,204	491,347

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Movements in the loss allowance account in respect of trade receivables and lease receivables and receivables arising from sale and leaseback arrangements are as follows:

Trade receivables – loss allowance	12-month ECL HK\$'000	Lifetime ECL – not credit- impaired HK\$'000	Lifetime ECL – credit- impaired HK\$'000	Total HK\$'000
At 1 April 2023	–	804	–	804
Net remeasurement of loss allowance	–	141	–	141
Exchange realignment	–	(37)	–	(37)
At 31 March 2024	–	908	–	908
Net remeasurement of loss allowance	–	(141)	–	(141)
Exchange realignment	–	(2)	–	(2)
At 31 March 2025	–	765	–	765

Lease receivables and receivables arising from sale and leaseback arrangements – loss allowance	12-month ECL HK\$'000	Lifetime ECL – not credit- impaired HK\$'000	Lifetime ECL – credit- impaired HK\$'000	Total HK\$'000
At 1 April 2023	–	455	501,350	501,805
Net remeasurement of loss allowance	–	(455)	–	(455)
Exchange realignment	–	–	(21,798)	(21,798)
At 31 March 2024 and 2025	–	–	479,552	479,552

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

Movement in the gross carrying amount in respect of trade receivables and lease receivables and receivables arising from sale and leaseback arrangements is as follows:

Trade receivables – gross carrying amount	12-month ECL HK\$'000	Lifetime ECL – not credit-impaired HK\$'000	Lifetime ECL – credit-impaired HK\$'000	Total HK\$'000
At 1 April 2023	–	5,569	–	5,569
Other changes	–	2,176	–	2,176
Exchange realignment	–	(291)	–	(291)
At 31 March 2024	–	7,454	–	7,454
Other changes	–	135	–	135
Exchange realignment	–	(1)	–	(1)
At 31 March 2025	–	7,588	–	7,588

Lease receivables and receivables arising from sale and leaseback arrangements – gross carrying amount	12-month ECL HK\$'000	Lifetime ECL – not credit-impaired HK\$'000	Lifetime ECL – credit-impaired HK\$'000	Total HK\$'000
At 1 April 2023	–	5,000	501,350	506,350
Other changes	–	(4,901)	–	(4,901)
Exchange realignment	–	(99)	(21,798)	(21,897)
At 31 March 2024 and 2025	–	–	479,552	479,552

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk and the basis for preparation on a going concern basis

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

The Group recorded a net loss attributable to owners of the Company of approximately HK\$8,112,000 and had a positive cash flows of approximately HK\$18,638,000 generated from the operating activities for the year ended 31 March 2025. As at that date, the Group had net current liabilities approximately HK\$39,561,000, whereas its cash and cash equivalents maintained was approximately HK\$7,972,000 only as at the same date. Besides, the Group also had bank borrowings of approximately HK\$763,000, amount due to a related company of approximately HK\$34,269,000 and amount due to a shareholder of approximately HK\$1,442,000, respectively, that were repayable within 12 months after the end of the reporting period.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity, operating performance of the Group and its available sources of financing, and also have prepared a cash flow forecast covering a period of not less than twelve months from the end of the reporting period. The directors of the Company are of the opinion that the cash flow generated from operating activities and certain appropriate financing-activities of the Group will be able to continue meeting the funding needs of operations and repay the outstanding interest bearing borrowings. In order to improve the Group's financial position and liquidity, the directors of the Company have been implementing various measures as follows:

(i) *Obtaining source of finance to improve working capital requirements*

The Group renewed the loan facility from a related company (as detailed in note 28(i)), with an aggregate facility amount of RMB40,000,000, and its maturity is on 2 July 2026. Hence, the related amount due to a related company of approximately HK\$32,675,000 matures on 2 July 2026, one year from the end of the reporting period.

As at 31 March 2025 and the date of issuance of this annual report, the total facility amount of HK\$44,000,000 and HK\$42,784,000, respectively, represents standby unutilised and available facilities. These comprise unutilised facilities from a related company of approximately HK\$12,227,000 (details in note 28(i), with renewed maturity date of 2 July 2026) and HK\$20,286,000 (details in note 28(ii), with an existing maturity date of 21 October 2025), and an unutilised facility from a shareholder of approximately HK\$11,487,000 (details in note 29, with maturity date of 30 April 2027). In respect of this, the directors of the Company are of the opinion that the unutilised and available facilities, together with positive cash operating inflows, will be sufficient to cope with and meet the Company's financial obligations due within the next twelve months from the end of the reporting period. Additionally, the directors of the Company are monitoring closely the financial position of the Group, and will consider to negotiate and obtain renewal of the existing facility of RMB20 million offered by a related company that will mature on 21 October 2025 (details in note 28(ii)), also negotiating and obtaining new loan facilities from other sources of finance when necessary.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk and the basis for preparation on a going concern basis (continued)

(ii) Implementation of active cost-saving measures

The Group continues to take active measures to control administrative costs through various channels to improve operating cash flows and its financial position.

The directors of the Company have carried out detail review on the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from the end of the reporting period. In preparing the cash flow forecast, the directors have considered historical cash requirements of the Group as well as other key factors, including the availability of the loan finance which may impact the operations of the Group during the next twelve-month period. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period.

The following table details the Group's remaining contractual maturity for its financial liabilities and derivative instruments. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative instruments that settle on a net basis, and the undiscounted gross (inflows) and outflows on those derivatives that require gross settlement. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual settlement dates as management of the Group considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity tables

	Weighted average effective interest rate %	On demand or less than 1 month HK\$'000	1 to 3 months HK\$'000	3 to 12 months HK\$'000	1 to 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31 March 2025 HK\$'000
As at 31 March 2025							
Liabilities							
Trade payables	-	179	-	-	-	179	179
Other payables	-	1,958	-	-	-	1,958	1,958
Amount due to a related company	5.2	-	-	34,721	-	34,721	34,269
Amount due to a shareholder	6.0	1,442	-	-	7,487	8,929	7,955
Bank borrowings	3.0	111	222	438	-	771	763
Deposits from customers	-	754	563	3,569	-	4,886	4,886
Contingent consideration payables	21.4	-	-	-	4,238	4,238	3,158
Lease liabilities	4.9	246	360	1,990	2,748	5,344	5,061
Total liabilities		4,690	1,145	40,718	14,473	61,026	58,229
	Weighted average effective interest rate %	On demand or less than 1 month HK\$'000	1 to 3 months HK\$'000	3 to 12 months HK\$'000	1 to 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at 31 March 2024 HK\$'000
As at 31 March 2024							
Liabilities							
Trade payables	-	369	-	-	-	369	369
Other payables	-	1,924	-	-	-	1,924	1,924
Amount due to a related company	5.1	-	-	33,294	-	33,294	32,817
Amount due to a shareholder	-	381	-	-	-	381	381
Bank borrowings	3.6	111	223	1,003	775	2,112	2,050
Deposits from customers	-	896	855	6,183	-	7,934	7,934
Convertible bonds	19.1	-	-	2,541	-	2,541	2,160
Contingent consideration payables	16.7	-	-	-	3,159	3,159	2,540
Lease liabilities	4.9	349	404	930	1,058	2,741	2,623
Total non-derivative financial liabilities		4,030	1,482	43,951	4,992	54,455	52,798
Derivative financial liabilities – gross settlement	-	-	-	-	-	-	3,378
Total liabilities		4,030	1,482	43,951	4,992	54,455	56,176

The amounts included above for variable interest rate financial instruments are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair value measurements of financial instruments

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. In estimating the fair value, the Group uses market observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

(i) **Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of the financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy

	At 31 March 2025 Level 3 HK\$'000	At 31 March 2024 Level 3 HK\$'000
Derivative financial liabilities (note 31)	–	3,378
Contingent consideration payables (note 33)	3,158	2,540

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Fair value hierarchy (continued)

Financial liabilities	Fair value as at 31 March		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	2025 HK\$'000	2024 HK\$'000			
Derivative component in relation to the convertible bonds	–	3,378	Level 3	Binomial option pricing model. The fair value is estimated based on the risk free rate, discount rate, share price, volatility of the share price of the Company, dividend yield and exercise price.	N/A (2024: 35.7%) determined by taking reference to historical share prices of the Company (note a).
Contingent consideration payables	3,158	2,540	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate.	Discount rate of 21.4% (2024: 16.7%) (note b).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value measurements of financial instruments (continued)

(i) Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)

Fair value hierarchy (continued)

Notes:

- (a) A slight increase in the expected volatility used in isolation would result in a slight increase in the fair value measurement of the derivative component in relation to the convertible bonds, and vice versa. As a result of the volatile financial market in 2024, management of the Group adjusted the sensitivity rate from -5% to 5% (2025: N/A) for the purpose of performing the sensitivity analysis. A 5% (2025: N/A) increase in the expected volatility holding all other variables constant would increase the carrying amount of the derivative component in relation to the convertible bonds by HK\$1,000 (2025: N/A).
- (b) A slight increase in the discount rate would result in a slight decrease in the fair value measurement of the contingent consideration payables, and vice versa. As a result of the volatile financial market in 2025, management of the Group adjusted the sensitivity rate from -200 basis point to 200 basis point for the purpose of performing the sensitivity analysis. A 200 basis point decrease in the discount rate holding all other variables constant would increase the carrying amount of the contingent consideration payables by HK\$82,000. A slight increase in the probability-adjusted revenues and loss used in isolation would result in a slight increase in the fair value measurement of the contingent consideration payables, and vice versa. Management of the Group adjusted the sensitivity rate from -5% to 5% for the purpose of performing the sensitivity analysis in 2024. A 5% decrease in the probability-adjusted loss holding all other variables constant would increase the carrying amount of the contingent consideration payables by nil.

There were no transfers between the different levels of the fair value hierarchy during the year.

(ii) Reconciliation of Level 3 fair value measurements

	Derivative component in relation to the convertible bonds HK\$'000	Derivative financial liabilities arising from the acquisition of the Alpha & Leader Group HK\$'000	Contingent consideration payables HK\$'000	Total HK\$'000
At 1 April 2023	1,285	8,326	2,468	12,079
Total loss (gain):				
– in profit or loss	4,467	–	72	4,539
Expired	–	(8,326)	–	(8,326)
Conversion of convertible bonds	(2,374)	–	–	(2,374)
At 31 March 2024	3,378	–	2,540	5,918
Total loss:				
– in profit or loss	639	–	618	1,257
Conversion of convertible bonds	(4,017)	–	–	(4,017)
At 31 March 2025	–	–	3,158	3,158

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

40. FINANCIAL RISK MANAGEMENT (continued)

(c) Fair value measurements of financial instruments (continued)

(iii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The fair value of the debt component of convertible bonds is determined assuming redemption on maturity and using a 19.8% (2024: 19.8%) interest rate based on the prevailing market risk free rate, credit spread and liquidity risk premium.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values due to short maturity.

41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

	Lease liabilities HK\$'000	Bank borrowings HK\$'000	Amount due to a related company HK\$'000	Amount due to a shareholder HK\$'000	Total HK\$'000
At 1 April 2023	3,316	3,289	43,163	21,334	71,102
Financing cash flows	(2,601)	(1,336)	(10,563)	10,463	(4,037)
Exchange adjustments	(161)	—	(1,550)	—	(1,711)
Interest expenses	133	97	1,767	1,186	3,183
New leases entered	1,936	—	—	—	1,936
Capitalisation	—	—	—	(32,602)	(32,602)
At 31 March 2024	2,623	2,050	32,817	381	37,871
Operating cash flows	—	—	—	857	857
Financing cash flows	(2,941)	(1,338)	(132)	6,513	2,102
Exchange adjustments	226	—	(7)	—	219
Interest expenses	212	51	1,591	204	2,058
New leases entered	5,525	—	—	—	5,525
Lease termination	(584)	—	—	—	(584)
At 31 March 2025	5,061	763	34,269	7,955	48,048

Notes to the Consolidated Financial Statements

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42. RELATED PARTY TRANSACTIONS

Related party transactions

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with related parties:

Name of related party	Relationship	Nature of transactions	2025 HK\$'000	2024 HK\$'000
Goldbond	Controlling shareholder	Rental and other related expenses	1,328	1,258
Goldbond	Controlling shareholder	Interest expense	204	1,186
Shanghai Nanlang	Related company	Interest expense	1,591	1,767

Compensation of key management personnel

During the reporting period, the remuneration of key management personnel which represent the executive director of the Company and senior management is as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other allowances	3,768	4,108
Retirement benefit scheme contributions	58	72
Equity-settled share-based payments	143	72
	3,969	4,252

The remuneration of directors of the Company is determined having regard to the performance of individuals and market trends.

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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

(a) General information of subsidiaries

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiary	Place of incorporation/ registration	Paid up issued/ registered capital		Proportion ownership interest/ voting power held by the Company		Principal activities/ place of operations	Notes
		2025	2024	2025 %	2024 %		
<i>Directly owned</i>							
Alpha & Leader	Hong Kong	Ordinary shares HK\$800,000	Ordinary shares HK\$800,000	51	51	Investment holding and provision of debt collection and credit investigation services/ Hong Kong	
Fuxing Packing Stationery Products Company Limited	Hong Kong	Ordinary shares HK\$10,000	Ordinary shares HK\$10,000	100	100	Investment holding/ Hong Kong	
Wealth Pioneer Investments Limited	British Virgin Islands (the "BVI")	Ordinary shares US\$1	Ordinary shares US\$1	100	100	Investment holding/ Hong Kong	
Ultimate Harvest Global Limited	The BVI	Ordinary shares US\$100	Ordinary shares US\$100	100	100	Investment holding/ Hong Kong	
Genuine Glory Investments Limited	Hong Kong	Ordinary shares HK\$2	Ordinary shares HK\$2	100	100	Money lending/ Hong Kong	
Grand Field Ventures Limited	The BVI	Ordinary shares US\$100	Ordinary shares US\$100	51	51	Credit management/ Hong Kong	
Strong Harvest Ventures Limited	The BVI	Ordinary shares US\$100	Ordinary shares US\$100	60	60	Credit management/ Hong Kong	
<i>Indirectly owned</i>							
亞洲華中管理諮詢(深圳) 有限公司	The PRC	Registered capital US\$30,000,000	Registered capital US\$30,000,000	100	100	Financial leasing/ The PRC	(i)
Wealth United Investments Limited	Hong Kong	Ordinary shares HK\$1	Ordinary shares HK\$1	100	100	Investment holding/ Hong Kong	
深圳金眾匯諮詢控股有限公司	The PRC	Registered capital RMB30,000,000	Registered capital RMB30,000,000	100	100	Investment holding/ The PRC	(i)
溫州金眾匯汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i)
溫州金寓宏汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i)
Alpha & Leader Risk and Asset (Singapore) Pte Ltd	Singapore	Ordinary shares SGD50,000	Ordinary shares SGD50,000	51	51	Provision of debt collection and credit investigation services/Singapore	(iii)
安華理達企業管理諮詢(廣州) 有限公司	The PRC	Registered capital US\$1,000,000	Registered capital US\$1,000,000	51	51	Provision of debt collection and credit investigation services/The PRC	(i), (iii)
Harvest Well Limited	Hong Kong	Ordinary shares HK\$1	Ordinary shares HK\$1	100	100	Investment holding/ Hong Kong	(iv)

Notes to the Consolidated Financial Statements

For the year ended 31 March 2025

43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(a) General information of subsidiaries (continued)

Name of subsidiary	Place of incorporation/ registration	Paid up issued/ registered capital		Proportion ownership interest/ voting power held by the Company		Principal activities/ place of operations	Notes
		2025	2024	2025 %	2024 %		
金寓匯宏管理諮詢(上海)有限公司	The PRC	Registered capital RMB30,000,000	Registered capital RMB30,000,000	100	100	Investment holding/ The PRC	(i), (iv)
湖州金寓宏汽車租賃服務有限公司	The PRC	Registered capital RMB4,400,000	Registered capital RMB30,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
寧波宏悅汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
湖州卓凡汽車租賃服務有限公司	The PRC	Registered capital RMB30,000,000	Registered capital RMB30,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
湖州卓安汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
台州金寓宏汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
寧波金寓宏汽車租賃服務有限公司	The PRC	Registered capital RMB1,000,000	Registered capital RMB30,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
嘉興金寓宏汽車租賃服務有限公司	The PRC	Registered capital RMB30,000,000	Registered capital RMB30,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
嘉興卓凡汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
紹興金寓宏汽車租賃服務有限公司	The PRC	Registered capital RMB30,000,000	Registered capital RMB30,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
紹興卓領汽車服務有限公司	The PRC	Registered capital RMB30,000,000	Registered capital RMB30,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
寧波卓領汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
嘉興卓安汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
杭州金寓宏汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
金華金寓宏汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
溫州卓凡汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
嘉興卓匯安汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)

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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(a) General information of subsidiaries (continued)

Name of subsidiary	Place of incorporation/ registration	Paid up issued/ registered capital		Proportion ownership interest/ voting power held by the Company		Principal activities/ place of operations	Notes
		2025	2024	2025 %	2024 %		
湖州卓匯安汽車租賃服務有限公司	The PRC	Registered capital RMB4,000,000	Registered capital RMB4,000,000	100	100	Provision of operating lease of motor vehicles services/The PRC	(i), (iv)
溫州卓安汽車租賃服務有限公司	The PRC	Registered capital RMB1,000,000	N/A	100	–	Provision of operating lease of motor vehicles services/The PRC	(i), (ii), (iv)
金華卓安汽車租賃服務有限公司	The PRC	Registered capital RMB1,000,000	N/A	100	–	Provision of operating lease of motor vehicles services/The PRC	(i), (ii), (iv)
嘉興卓匯宏汽車租賃服務有限公司	The PRC	Registered capital RMB1,000,000	N/A	100	–	Provision of operating lease of motor vehicles services/The PRC	(i), (ii), (iv)

Notes:

- (i) It is a wholly foreign owned enterprise established in the PRC.
- (ii) Incorporated/established during the year ended 31 March 2025.
- (iii) Subsidiaries in the Alpha & Leader Group.
- (iv) Subsidiaries in the UMH Group.

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

None of the subsidiaries had issued any debt securities at the end of the reporting period or at any time during both years.

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation	Principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
			2025 %	2024 %	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Alpha & Leader	Hong Kong	Hong Kong, the PRC and Singapore	49	49	1,347	760	630	(719)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

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43. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

(b) Details of non-wholly-owned subsidiaries that have material non-controlling interests (continued)

The Alpha & Leader Group

	At 31 March 2025 HK\$'000	At 31 March 2024 HK\$'000
Current assets	10,423	9,935
Non-current assets	6,006	3,253
Current liabilities	(12,489)	(12,872)
Non-current liabilities	(2,656)	(1,785)
Equity attributable to owners of the Company	654	(750)
Non-controlling interests of Alpha & Leader	630	(719)
	For the year ended 31 March 2025 HK\$'000	For the year ended 31 March 2024 HK\$'000
Revenue	42,778	45,082
Profit for the year	2,748	1,551
Profit attributable to owners of the Company	1,401	791
Profit attributable to the non-controlling interests of Alpha & Leader	1,347	760
Other comprehensive income (expense) for the year	5	(102)
Other comprehensive income (expense) attributable to owners of the Company	3	(52)
Other comprehensive income (expense) attributable to the non-controlling interests of Alpha & Leader	2	(50)
Total comprehensive income (expense) for the year	2,753	(1,449)
Total comprehensive income attributable to owners of the Company	1,404	739
Total comprehensive income attributable to the non-controlling interests of Alpha & Leader	1,349	710
Net cash inflow from operating activities	5,019	2,920
Net cash outflow from investing activities	(101)	(32)
Net cash outflow from financing activities	(4,279)	(3,938)
Net cash inflow (outflow)	639	(1,050)

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44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current asset			
Interests in subsidiaries		26,534	26,534
Current assets			
Amounts due from subsidiaries		240	164
Cash and cash equivalents		84	644
		324	808
Current liabilities			
Other payables and accrued charges		1,224	2,005
Amount due to a shareholder	29	1,442	381
Amounts due to subsidiaries		802	–
Derivative financial liabilities	31	–	3,378
Convertible bonds	30	–	2,160
		3,468	7,924
Net current liabilities		(3,144)	(7,116)
Total assets less current liabilities		23,390	19,418
Non-current liabilities			
Contingent consideration payables	33	3,158	2,540
Amount due to a shareholder	29	6,513	–
		9,671	2,540
Net assets		13,719	16,878
Capital and reserves			
Share capital	35	6,068	5,903
Reserves	(a)	7,651	10,975
Total equity		13,719	16,878

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44. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

(a) Movement in reserves of the Company

	Share premium HK\$'000	Share option reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023	552,818	1,482	(2,072)	(592,090)	(39,862)
Loss for the year	–	–	–	(26,036)	(26,036)
Exchange difference arising on translation	–	–	736	–	736
Total comprehensive income (expense) for the year	–	–	736	(26,036)	(25,300)
Issues of shares upon:					
- conversion of convertible bonds (note 35(i))	3,283	–	–	–	3,283
- capitalisation of amount due to a shareholder and loan note (note 35(ii))	45,691	–	–	–	45,691
- the UMH 49% Acquisition (note 35(iii))	26,711	–	–	–	26,711
Subtotal of issues of shares (note 35)	75,685	–	–	–	75,685
Recognition of equity-settled share-based payments	–	452	–	–	452
At 31 March 2024	628,503	1,934	(1,336)	(618,126)	10,975
Loss for the year	–	–	–	(10,147)	(10,147)
Exchange difference arising on translation	–	–	(106)	–	(106)
Total comprehensive expense for the year	–	–	(106)	(10,147)	(10,253)
Issues of shares upon conversion of convertible bonds (note 35(iv))	6,279	–	–	–	6,279
Recognition of equity-settled share-based payments	–	650	–	–	650
Lapsed of share-based payments	–	(13)	–	13	–
At 31 March 2025	634,782	2,571	(1,442)	(628,260)	7,651