



**KINGKEY
FINANCIAL
INTERNATIONAL**

Kingkey Financial International (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 1468

**ANNUAL REPORT
2025**



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CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Mong Cheuk Wai (*Chairman*)

Ms. Cheung Pui Ki Gloria⁴

Mr. Leung Siu Kee¹

Independent Non-executive Directors

Ms. Mak Yun Chu

Mr. Hung Wai Che

Mr. Chan Ting Fung

Company Secretary

Mr. Ngai Tsz Hin Michael

Audit Committee

Ms. Mak Yun Chu (*Chairperson*)

Mr. Hung Wai Che

Mr. Chan Ting Fung

Remuneration Committee

Mr. Hung Wai Che (*Chairperson*)

Ms. Mak Yun Chu

Mr. Leung Siu Kee

Mr. Chan Ting Fung

Nomination Committee

Mr. Chan Ting Fung (*Chairperson*)

Ms. Mak Yun Chu

Mr. Hung Wai Che

Mr. Leung Siu Kee

Investment Committee

Mr. Leung Siu Kee (*Chairperson*)

Mr. Hung Wai Che

Authorised Representatives

Mr. Mong Cheuk Wai

Mr. Ngai Tsz Hin Michael

Principal Bankers

Public Bank (Hong Kong) Limited

Bank of China (Hong Kong) Limited

Auditor

Elite Partners CPA Limited²

McMillan Woods (Hong Kong) CPA Limited³

Notes:

1. Redesignated on 20 November 2024.
2. Retired on 22 August 2024.
3. Appointed on 22 January 2025.
4. Resigned on 17 June 2025.

Legal Advisor

Khoo & Co.

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Central Plaza, 18 Harbour Road

Wanchai, Hong Kong

Registered Office

Cricket Square, Hutchins Drive

PO Box 2681, Grand Cayman

KY1-1111, Cayman Islands

Headquarters in the PRC

Building C, No. 6

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Huangpu District, Shanghai

People's Republic of China

Headquarters and Principal Place of Business in Hong Kong

902, Harbour Centre, Tower 2

8 Hok Cheung Street, Hunghom

Kowloon, Hong Kong

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

Principal Share Registrar and Transfer Office in the Cayman Islands

Codan Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

PO Box 2681, Grand Cayman

KY1-1111, Cayman Islands

Corporate Website

<http://www.kkgroup.com.hk>

Stock Code

1468

Listing Dates

24 August 2012 (GEM)

20 March 2015 (Main Board)

Dear Shareholders,

I hereby report to you the status of Kingkey Financial International (Holdings) Limited (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 March 2025 (“FY2025”).

Business Review

FY2025 marked a transformative period for the Company, characterised by strategic repositioning for the Company through focused capital raising, targeted acquisitions and a gradual shift towards sustainable and technology-driven growth.

Hong Kong's economy recorded moderate growth in FY2025, with the financial sector showing signs of gradual recovery. While key market indicators such as the Hang Seng Index and IPO fundraising activities reflected some improvement, overall market conditions remained cautious amid ongoing global economic uncertainties and regulatory adjustments. Although trading activity was more robust compared to previous years, challenges persisted due to geopolitical tensions and fluctuating investor sentiment.

In view of the prevailing global market conditions, despite the Group's diligent efforts to maintain its business operations and successfully complete fundraising activities to support its expansion and development, the Group's revenue from continuing operations decreased by approximately 24.7% from approximately HK\$303.3 million for the year ended 31 March 2024 (“FY2024”) to approximately HK\$228.3 million in FY2025. The loss for the year from continuing operations increased from approximately HK\$11.4 million in FY2024 to approximately HK\$118.8 million in FY2025. This decline was primarily due to the absence of a non-cash fair value gain of approximately HK\$122.2 million on contingent consideration payables. As the underlying transaction was completed during FY2024, there was no such gain recorded in FY2025, partially offset the improvement in the Group's financial performance for FY2025. Nevertheless, the Group's core financial services segment remained comparatively stable, reflecting its resilience in a demanding market environment.

Against this backdrop, the Group strategically capitalised on fundraising activities to reinforce its market position and drive sustainable growth. This strategic capital augmentation was complemented by a series of key initiatives during FY2025 that underscore the Group's commitment to innovation, sustainability and international expansion.

The Group has made significant strides in advancing its technological capabilities, focusing on the development and integration of artificial intelligence (“AI”) driven applications, green finance and digital asset services. These efforts position the Group at the forefront of innovation within the financial services industry and align closely with global trends towards digital transformation and sustainable development. To support these objectives, the Group actively sought strategic partnerships and collaborations aimed at expanding its expertise and service offerings, with the goal of diversifying revenue stream and capturing emerging opportunities in rapidly evolving markets.

Furthermore, the Company has also been pursuing international growth through strategic acquisitions designed to broaden its product offerings, customer base and operational capabilities. These strategic moves are intended to extend the Group's presence and networks across major financial regions including Asia, Europe and North America. By leveraging these acquisitions, the Group seeks to enhance its cross-border financial services and create synergies in technology-driven and sustainable sectors, complementing its strategic shift towards higher-growth, innovation-focused businesses.

CHAIRMAN'S STATEMENT

Prospects

Looking ahead, the Group remains cautiously optimistic about its prospects in the coming financial year. While uncertainties persist in the broader economic and financial market environment, several positive developments provide a supportive backdrop. Globally, there is an accelerating shift towards digital transformation, with widespread adoption of artificial intelligence, blockchain technologies and sustainable finance practices reshaping the financial services landscape. Concurrently, Hong Kong continues to reinforce its status as a leading international financial centre through proactive government initiatives, including the promotion of fintech innovation via funding schemes and regulatory sandboxes, the advancement of green and sustainable finance frameworks, and enhanced connectivity with Mainland China under the Greater Bay Area development plan.

The Group is well positioned to capitalise on these favourable trends through its strengthened capital base, strategic international expansion, and ongoing investment in technology and sustainability. The integration of AI and digital finance solutions is expected to enhance operational efficiency and client service, while strategic partnerships and acquisitions will further broaden the Group's market reach and diversify its product offerings. Collectively, these factors underpin the Group's confidence in driving sustainable growth and creating long-term value for shareholders.

Moreover, the Group's existing financial services offerings are expected to perform steadily, supported by ongoing market recovery and increasing client demand for diversified investment and financing solutions. Coupled with its strengthened capital base and enhanced operational capabilities, the Company is well placed to capture growth opportunities in securities brokerage, asset management and money lending. The Group's strategic acquisitions and partnerships will further broaden its service offerings, expand its client network, and enhance its geographical presence across key financial markets. The Group will continue to exercise prudent risk management and remain adaptable to evolving regulatory requirements to safeguard its financial stability.

While near-term challenges remain, the Group's strategic initiatives and commitment to innovation provide a robust foundation for sustainable growth and value creation over the medium to long term.

Mong Cheuk Wai

Chairman

Hong Kong, 26 June 2025

Financial Review

Revenue and segment results

Revenue of the Group from continuing operations for FY2025 was approximately HK\$228.3 million (FY2024: approximately HK\$303.3 million). The approximately HK\$75.0 million decrease in revenue was mainly due to the overall decline in turnover was driven by sharp drop in network and licensing business and fur-business; and lower interest income from margin financing services, which only partly offset by growth in money lending interest income.

Securities

Kingkey Securities Group Limited was licensed to conduct type 1 (Dealing in securities) and type 4 (Advising on securities) regulated activities under Securities and Futures Ordinance ("SFO"). For FY2025, the Group's commission income from securities brokerage, underwriting and placing, plus interest income from securities margin financing, cash clients and IPO loans amounted to approximately HK\$23.6 million (FY2024: approximately HK\$27.9 million), such decrease is mainly due to decrease in above-mentioned interest income for margin financing services.

The securities brokerage commission remained stable at approximately HK\$3.2 million for FY2025 (FY2024: approximately HK\$3.2 million), showcasing the Group's ability to maintain consistent client engagement and trading activity, even amid broader market fluctuations. This performance underscores the resilience of our client base and service infrastructure.

Underwriting, sub-underwriting, placing and sub-placing income surged dramatically from approximately HK\$0.3 million in FY2024 to approximately HK\$5.2 million in FY2025. This was due to the company participated in more underwriting or placement deals, which generated income from a few large mandates in FY2025.

However, the approximately HK\$9.2 million decline in interest income from margin financing services from approximately HK\$24.4 million in FY2024 to approximately HK\$15.2 million in FY2025 offset the overall increase in abovementioned income.

The securities business reported a segment profit of approximately HK\$9.0 million in FY2025 (FY2024: loss of approximately HK\$54.1 million), showing a significant improvement that reflects effectiveness of the overall operational efficiency and streamline resources with asset management business.

Insurance brokerage

Insurance brokerage represented the provision of insurance brokerage and wealth management services.

MANAGEMENT DISCUSSION AND ANALYSIS

Kingkey Privilege Wealth Management Limited (“KKWM”), the insurance brokerage arm of the Group, is registered with the Insurance Authority (“IA”). As at 31 March 2025, it is registered with IA and is operating a team of 31 licensed representatives under IA and 8 licensed representatives under Mandatory Provident Fund Schemes Authority, and is representing 30 major life and general insurance providers.

For FY2025, KKWM handled over 720 new insurance policies for about 560 clients and accumulated total Annualized First Year Premium (“AFYP”) amount of over HK\$160 million (FY2024: over HK\$78 million); with total Annualized First Year Commission (“AFYC”) amount of over HK\$63 million (FY2024: over HK\$37 million).

During FY2025, revenue from insurance brokerage, which represented commission income received from broking and dealing in insurance products amounted to approximately HK\$76.6 million (FY2024: approximately HK\$89.7 million). It reported a segment profit of approximately HK\$1.4 million for FY2025 (FY2024: loss of approximately HK\$6.3 million).

To minimize operational costs, the Group is shifting the business generating from house advisors to the distribution channels. Although this change will lead to a lower gross profit ratio, the reduction in costs offsets this impact, as evidenced by a turning the segment loss into profit this year.

Fur

For FY2025, the Group’s fur business dropped and the revenue amounted to approximately HK\$14.9 million (FY2024: approximately HK\$33.2 million).

The fur business reported segment loss of approximately HK\$27.0 million this year (FY2024: approximately HK\$3.6 million). The segment loss was mainly due to the approximately HK\$19.4 million legal and professional fee in respect of dealing the compensation affairs on ban of mink farming in Denmark by Danish government.

Assets management

Kingkey Asset Management Limited was licensed to conduct type 1 (Dealing in Securities), type 4 (Advising on Securities) and type 9 (Asset Management) regulated activities under SFO at the beginning of FY2025. The significant decrease in revenue from the assets management segment revenue from approximately HK\$14.2 million in FY2024 to approximately HK\$4.4 million in FY2025 was primarily due to the Group’s strategic decision to voluntarily surrender its Type 1 and Type 4 license under SFO in December 2024, which resulted in a reduction of approximately HK\$9.0 million in assets management service income. This move was made to enhance overall operational efficiency and streamline resources of the Group with the securities business. It continues to hold its Type 9 license and remains focused on strengthening its fund management service business.

MANAGEMENT DISCUSSION AND ANALYSIS

Money lending

The Group holds a money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The loan size for each transaction, entered into this year, ranged from approximately HK\$0.3 million to HK\$50 million and all loans were made to independent third parties. During FY2025, none of the debtors together with their associates (if any), had borrowed the amount more than 8% of the total assets of the Group in aggregate at any time and none of the loans to a particular debtor and to its associates in aggregate would be a notifiable transaction that requires the Company to disclose by way of announcement and/or circular.

The provision and arrangement of money lending business contributed approximately HK\$36.4 million and approximately HK\$0.6 million for both segment revenue and profit respectively to the Group for FY2025 (FY2024: segment revenue of approximately HK\$17.5 million and segment loss of approximately HK\$20.3 million).

The Group offers two types of loan which include corporate loan and personal loan.

As at 31 March 2025, the Group granted both secured and unsecured loan to 18 corporate customers, of which over approximately 69.0% of them were secured by unlisted shares, property and land. The principal of loans ranging from approximately HK\$0.3 million to HK\$50 million, which were entered into during FY2025. The gross corporate loans and interest receivable was accounted for approximately 89.6% of the entire gross loan and interest receivables of the Group as at 31 March 2025. The Group offered a credit period ranging from 2 weeks to 12 months for the loans with fixed interest rate ranging from 8.5% p.a. to 48% p.a..

As at 31 March 2025, the Group also granted both secured and unsecured loan to 6 individual customers, of which approximately 36.9% of them were secured by residential properties located in Hong Kong and share charges. The outstanding principal of loans ranging from HK\$0.5 million to HK\$18 million, which were entered into during FY2020 to FY2025. The gross personal loans and interest receivable was accounted for approximately 10.4% of the entire gross loan and interest receivables of the Group as at 31 March 2025. The Group offered a credit period ranging from 6 months to 1 year for the loans with fixed interest rate ranging from 10% p.a. to 48% p.a..

The total loan principal and interest receivables net of expected credit loss ("ECL") grew by approximately 153.9%, indicating the Group's continued expansion in the money lending business.

The ECL increased by approximately HK\$26.8 million, a rise of 64.7%, primarily due to the enlarged loan portfolio. Despite the increase in absolute ECL, the ECL ratio (ECL/Loan Book) improved from approximately 19.9% in FY2024 to 13.9% in FY2025 indicating enhanced credit assessment and underwriting standards.

This improvement reflects improving credit quality and effective risk management practices. The Group remains committed to strengthening its loan monitoring, collection processes, and underwriting standards.

MANAGEMENT DISCUSSION AND ANALYSIS

Membership and events

On 21 June 2024, the Group received a notice of termination of sub-license agreement between FGA (Hong Kong) Limited, an indirect non wholly-owned subsidiary of the Company, and Energetic Force Investments Limited dated 6 June 2022, to terminate the sub-license agreement with effect from 30 June 2024. Due to the termination of the relevant license rights, the Group is not able to operate the membership and event business and as a result, this segment was treated as discontinued operation.

In FY2024, the Group recorded a significant non-cash impairment loss of approximately HK\$719.9 million due to the full write-off of goodwill and intangible assets related to its membership and event business, which had been classified as discontinued operations. This one-off impairment did not occur in FY2025 which leads to a dramatic drop of segment loss.

The segment revenue and loss for FY2025 from the discontinued membership and event business are approximately HK\$2.1 million and approximately HK\$8.8 million respectively (FY2024: approximately HK\$26.8 million and HK\$801.9 million respectively).

Trading

On 15 September 2024, the Group disposed of all the interests of Kingkey Capital Limited to an independent third party, as result, the trading segment was treated as discontinued operation. During the FY2025, no revenue was generated from this segment (FY2024: approximately HK\$0.4 million), however, a segment profit of approximately HK\$4.3 million was recorded (FY2024: loss of approximately HK\$3.9 million), resulting from a reversal of impairment of trade receivables recorded in last financial year upon full settlement during FY2025.

Insurance technology

The insurance technology segment is engaged in providing marketing and information solutions to insurance brokerage through the Group's insurance premium calculation platform, which the business was acquired in June 2022. During FY2025, the business contributed a revenue of approximately HK\$64.7 million (2024: approximately HK\$68.8 million) with reported segment loss of approximately HK\$13.8 million (FY2024: approximately HK\$5.0 million). The segment loss was mainly resulting from approximately HK\$1.5 million each of management fee and IT expense, together with the non-cash amortisation of intangible assets of approximately HK\$3.9 million and non-cash impairment loss on goodwill of approximately HK\$7.5 million.

Network and licensing

The multi-channel network and licensing segment is principally engaged in licensing and sale of media, movie and television content, newly started in the second half of the financial year ended 2023. The business contributed a revenue of approximately HK\$7.7 million (FY2024: approximately HK\$51.9 million) with reported segment loss of approximately HK\$21.3 million (FY2024: profit of approximately HK\$0.6 million) for FY2025 which mainly due to acute drop in demand for entertainment in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

Cost of sales

The cost of sales of the Group from continuing operations amounted to approximately HK\$154.7 million for FY2025 (FY2024: approximately HK\$235.2 million), which is 34.2% lower than last year. The decrease was mainly driven by sales decline in network and licensing business and fur business.

Gross profit and gross profit margin

As a result of the above situations, the Group recorded a consolidated gross profit, from continuing operations, of approximately HK\$73.6 million or gross profit margin of 32.2% for FY2025, compared with that of approximately HK\$68.0 million or 22.4% for FY2024.

The 9.8% increase in gross profit margin represents a notable improvement in operational efficiency. The exit from the relatively low-margin membership and event business, which was fully impaired and discontinued in this year, likely improved the overall margin mix. The gross profit margin expansion also reflects the Group's strategic focus on higher-margin businesses and services.

Other income

Other income from continuing operations was decreased by approximately HK\$15.8 million to approximately HK\$11.3 million for FY2025 (FY2024: approximately HK\$27.1 million). This significant decrease was primarily due to the absence of the compensation from the Danish government for the mink farming business (FY2024: approximately HK\$15.2 million).

Provision for impairment of trade receivables, net

The impairment of trade receivables decreased significantly from approximately HK\$78.3 million in FY2024 to approximately HK\$24.2 million in FY2025. The HK\$54.1 million decrease was primarily attributable to a substantial reduction in impairment losses related to margin client receivables in securities business, which declined by approximately HK\$63.9 million. This reflects improved credit quality and recoverability of margin loans during the year.

Provision for impairment of loan receivables, net

The Group recognised an impairment loss of approximately HK\$26.8 million from an adjustment in the expected credit loss of loan receivables in money lending business for FY2025 (FY2024: approximately HK\$35.9 million).

Provision for impairment of other receivables and deposits, net

The Group recognised a provision for impairment of approximately HK\$5.2 million (FY2024: approximately HK\$0.6 million) mainly comprising (1) approximately HK\$2.2 million expected credit loss of a refundable deposits paid for a proposed acquisition of a target company in previous year (FY2024: HK\$0.2 million); and (2) approximately HK\$2.7 million on amounts due to other debtors (FY2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Administrative expenses

The administrative expenses from continuing operations of the Group decreased by approximately 13.1% from approximately HK\$130.0 million for FY2024 to approximately HK\$113.0 million for FY2025. The decrease in the administrative expenses was mainly attributable to a reduction of approximately HK\$20.2 million in marketing expense and approximately HK\$10.7 million in staff salaries, partially offset by an increase of approximately HK\$13.2 million in legal and professional fees.

Other gains or losses, net

Other gains or losses, net, from continuing operations, recorded a loss of approximately HK\$2.9 million (FY2024: gain of approximately HK\$16.0 million). This loss is primarily attributable to a loss of approximately HK\$7.4 million from the disposal of loan receivables in the money lending business and an impairment of approximately HK\$3.2 million related to the Denmark land in fur business, partially offset by an approximately HK\$7.9 million fair value gain of financial assets at fair value through profit or loss.

Fair value change in contingent consideration payable

There was a fair value gain of approximately HK\$122.2 million for FY2024. This was mainly resulting from the share price drop of the second tranche considerations shares (i.e. 452,666,666 shares of the Company at HK\$0.01 each) pursuant to the sale and purchase agreement dated 4 June 2021 entered into between the Company and Great Return Group Limited as at the issue date, compared with the valuation results conducted by an independent professional valuer as at 31 March 2023. Since the transaction was completed in last financial year, there was no such change in fair value during FY2025.

Finance costs

For FY2025, the finance costs from continuing operations, mainly represented the interest expenses for the corporate bonds and bank and other borrowings. It decreased significantly by approximately 34.2% to approximately HK\$7.3 million (FY2024: approximately HK\$11.1 million) mainly due to the repayment in bank and other borrowings and corporate bonds during the year which lead to lower interest expense. This resulted from fundraising through 2 placings and 1 rights issue during FY2025, which help the Group avoid high interest costs associated with borrowings and bonds.

Loss for the year from discontinued operations

Loss for the year from discontinued operations represents loss of approximately HK\$8.8 million and gain of approximately HK\$4.2 million from membership and event business and trading business respectively (FY2024: loss of approximately HK\$671.9 million and HK\$4.1 million respectively). For FY2024, the loss was primarily attributable by the non-cash impairment loss of approximately HK\$719.9 million due to the full write-off of goodwill and intangible assets related to its membership and event business. There was no such non-cash impairment loss during FY2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Loss for the year

Combined with the above factors, the Group reported a loss for the year of approximately HK\$123.5 million for FY2025 (FY2024: approximately HK\$687.4 million). However, after adjusting for non-cash items including impairments on trade receivables, loan receivables, other receivables and deposits, other impairments, as well as depreciation and amortisation, the net loss for FY2025 would have been reduced to approximately HK\$45.2 million.

Liquidity, financial resources and capital structure

The Group mainly finances its operations with internally generated cash flow, bank borrowings and equity/debt financings. The Group maintained bank balances and cash of approximately HK\$151.0 million as at 31 March 2025 (31 March 2024: approximately HK\$118.6 million) mainly in Hong Kong Dollar, Renminbi and United States Dollar. The net assets of the Group as at 31 March 2025 were approximately HK\$879.9 million (31 March 2024: approximately HK\$405.0 million).

As at 31 March 2025, the outstanding principal of the short and medium-term bonds was approximately HK\$47.6 million (31 March 2024: approximately HK\$112.8 million), which were denominated in Hong Kong Dollar and US Dollar at fixed coupon rates ranging from 6% to 7.5%. All the proceeds were planned and in actual utilised for supporting business development as at 31 March 2025.

Increase of Authorised Share Capital and Share Consolidation

On 22 August 2024, the shareholders at the annual general meeting approved of the increase of authorised share capital of the Company from HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each ("Share(s)") to HK\$1,000,000,000 divided into 100,000,000,000 Shares by creation of an additional of 90,000,000,000 new Shares (the "Increase of Authorised Share Capital"). The Increase of Authorised Share Capital became effective on 22 August 2024. For details, please refer to the Company's circular dated 31 July 2024 and the poll results of annual general meeting announcement dated 22 August 2024.

On 29 August 2024, the shareholders at the extraordinary general meeting approved of the consolidation of every ten (10) issued and unissued ordinary shares of par value of HK\$0.01 each in the share capital of the Company into one (1) share of par value of HK\$0.10 (the "Share Consolidation"). The Share Consolidation became effective on 2 September 2024. For details, please refer to the Company's circular dated 9 August 2024 and the poll results of extraordinary general meeting announcement dated 29 August 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Placing of New Shares under General Mandate

April Placing

On 27 March 2024, the Company conducted a placing of 1,525,992,613 new ordinary shares of HK\$0.01 each (the “April Placing Share”) at a price of HK\$0.060 each to no less than six placees who were independent third parties, and raise gross proceeds of approximately HK\$91.6 million (the “April Placing”). The April Placing Shares were issued under the relevant general mandate granted to the Directors at the annual general meeting of the Company held on 7 September 2023. The closing price per share of the Company on the Stock Exchange on 6 April 2023 was HK\$0.0700. The net price per April Placing Share was approximately HK\$0.059. Completion of the April Placing took place on 26 April 2024. For breakdown of the use of proceeds as at the date of this report, please refer to the table set out below. Further details of the April Placing, were set out in the announcements of the Company dated 27 March 2024, 23 April 2024 and 26 April 2024.

September Placing

On 3 September 2024, the Company conducted a placing of 183,119,113 new ordinary shares at nominal value of HK\$0.10 each (the “September Placing Share”) at a price of HK\$0.41 each to no less than six placees who were independent third parties, and raise gross proceeds of approximately HK\$75.08 million (the “September Placing”). The September Placing Shares were issued under the relevant general mandate granted to the directors of the Company at the annual general meeting of the Company held on 22 August 2024 (after adjustment for the effect of the share consolidation of the issued and unissued old Shares in the share capital of the Company on the basis of ten (10) old Shares with par value of HK\$0.01 each into one (1) existing Share with par value of HK\$0.10 each, which became effective on 2 September 2024). The closing price per share of the Company on the Stock Exchange on 3 September 2024 was HK\$0.41. The net price per September Placing Share was approximately HK\$0.41. Completion of the September Placing took place on 23 September 2024. For breakdown of the use of proceeds as at the date of this report, please refer to the table set out below. Further details of the September Placing, were set out in the announcements of the Company dated 3 September 2024 and 23 September 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

Use of Proceeds from the Placing during the year ended 31 March 2025

Use of net proceeds	Net proceeds HK\$'000	Net proceeds utilised during the year ended 31 March 2025 HK\$'000	Unutilised net proceeds as at 31 March 2025 HK\$'000	Expected timeline on utilisation of unutilised net proceeds
April Placing				
Repayment of liabilities	89,600	(89,600)	–	N/A
Total	89,600	(89,600)	–	
September Placing				
Investment in and provision of financing for green energy project	14,820	–	14,820	31 March 2026
Provision of financing for AI projects	14,820	(14,820)	–	N/A
Working capital	44,480	(44,480)	–	N/A
Total	74,120	(59,300)	14,820	

The net proceeds from the above placings had been utilised as intended and the remaining unutilised proceeds will be used as intended.

Placing of New Shares under Specific Mandate

Reference is made to the Company's announcements dated (i) 17 June 2024; (ii) 28 June 2024; (iii) 12 July 2024; and (iv) 29 July 2024, all in relation to, among other things, the proposed placing under specific mandate (the "Proposed June Placing") (collectively, the "Proposed June Placing Announcements").

Pursuant to the placing agreement (as amended and supplemented by the first supplemental agreement dated 28 June 2024 and the second supplemental agreement dated 12 July 2024) (the "Placing Agreement") entered between Orient Securities Limited (the "Placing Agent") and the Company, the Company intended to conduct a placing of up to 2,500,000,000 new ordinary shares at a price of HK\$0.09 each to raise gross proceeds of approximately HK\$225.0 million. On 29 July 2024, due to market conditions, it was announced that the Company and the Placing Agent entered into a termination agreement (the "Termination Agreement") to terminate the Placing Agreement. Pursuant to the Termination Agreement, all rights, obligations and liabilities of the parties hereto shall cease and determine and neither party shall have any claim against the other in respect of the Placing save in respect of any antecedent breach of any obligation under the Placing Agreement. For details, please refer to the Proposed June Placing Announcements.

MANAGEMENT DISCUSSION AND ANALYSIS

Rights Issue

On 18 October 2024, the Company announced the proposed rights issue (the “Rights Issue”) on the basis of one (1) rights share for every two (2) shares held on the record date on a non-underwritten basis, to raise gross proceeds of approximately HK\$542.59 million before expenses by way of Rights Issue of up to 596,250,787 rights shares at the subscription price of HK\$0.91 per rights share (“Rights Share”). The Rights Issue was only available to the qualifying shareholders.

The Rights Issue became unconditional on 31 December 2024 and was completed on 8 January 2025 where 544,294,055 Rights Shares were allotted and issued to the qualifying shareholders accordingly, representing approximately 49.5% of issued share capital of the Company as at the date thereof. The gross proceeds from the Rights Issue were approximately HK\$413.7 million and the net proceeds from the Rights Issue, after deducting all related expenses for the Rights Issue, were approximately HK\$412.7 million. The net price per Rights Share was approximately HK\$0.76.

The net proceeds from the Rights Issue were intended to be applied for (i) expansion of the Group’s securities business; (ii) financing the Group’s money lending business; and (iii) general working capital as previously disclosed in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” in the Company’s prospectus dated 29 November 2024 (the “Prospectus”).

The breakdown of the Company’s proposed use of the proceeds from the Rights Issue as disclosed in the Prospectus and its actual use of the Rights Issue Proceeds from the date of completion of the Rights Issue to 31 March 2025 were as follows:

Use of net proceeds	Net proceeds HK\$'000	Net proceeds utilised during the year ended	Unutilised net proceeds as at
		31 March 2025 HK\$'000	31 March 2025 HK\$'000
Expansion of the Group’s securities business	206,538	206,538	–
Financing the Group’s money lending business	123,923	123,923	–
General working capital of the Group	82,615	82,615	–
Total	413,076	413,076	–

The net proceeds from the Rights Issue had been utilised as intended.

For more details regarding the Rights Issue, please refer to the Prospectus and the announcements of the Company dated 18 October 2024 and 7 January 2025.

Events after Reporting Period

Save as to the event stated hereafter, there is no material subsequent event undertaken by the Company or by the Group after 31 March 2025 and up to the date of this report.

Major Transaction – Acquisition of Interest in Jakota Capital AG

On 28 April 2025 (after trading hours), the Company as the purchaser and Nobias Media Sarl (“Nobias”) as the vendor entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to purchase, and Nobias has conditionally agreed to sell, 80 ordinary shares in the share capital of the Jakota Capital AG (“Jakota”), representing 80% equity interest in Jakota as at the date of thereof, at the maximum consideration of HK\$103,000,000, which shall be satisfied by the issuance and allotment of a maximum of 705,479,452 new consideration shares at HK\$0.146 each under specific mandate. The completion of the acquisition is subject to the fulfilment of the conditions precedent under the sale and purchase agreement.

As one or more applicable percentage ratios (as defined under the Listing Rules) in respect of the acquisition is more than 25% but all of the applicable ratios are less than 100%, the acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement, circular and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

A circular containing, among other things, details of (i) further details of the acquisition; (ii) the financial information of Jakota; (iii) the unaudited pro forma financial information of the Group as enlarged by Jakota upon completion; (iv) other information as required under the Listing Rules; and (v) a notice convening an extraordinary general meeting is expected to be despatched to the Shareholders on or before 28 June 2025.

For more details of the acquisition, please refer to the announcements of the Company dated 29 April 2025 and 28 May 2025.

Financial Key Performance

The above financial data were chosen to present in this annual report as they represent a material financial impact on the consolidated financial statements of the Group for the current and/or the previous financial year, that a change of which could affect the revenue and profit conspicuously. It is believed that presenting the changes of these financial data can effectively explain the financial performance of the Group for the year ended 31 March 2025.

Foreign Currency Management

The Group adopts a conservative approach on foreign exchange exposure management and ensures that its exposure to fluctuations in foreign exchange rates is minimised.

MANAGEMENT DISCUSSION AND ANALYSIS

To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors the exposure of foreign currency risk. As the Hong Kong Dollar is pegged to the United States Dollar, the Group considers the risk of movements in exchange rates between the Hong Kong Dollar and the United States Dollar to be insignificant.

The Group carries out its business in Hong Kong and worldwide and its assets and liabilities as well as the income and expenses are exposed to foreign currency risk primarily arising from sales and purchases transactions, investments and borrowings denominated in Renminbi, United States Dollar and Danish Krone.

The Group has certain investments and operations in Denmark which are exposed to foreign currency risk. The impact of exchange rate fluctuations on the net assets of the Group's foreign operations is considered manageable as such impact will be offset by borrowings denominated in Danish Krone.

During the year, the Group had not engaged in any financial instruments for hedging or speculative activities.

Charge of Assets

As at 31 March 2024, the Group charged other plant and equipment before impairment and inventories of approximately DKK16,191,000 (approximately HK\$18,333,000) for bank borrowings.

As at 31 March 2025, the Group has no pledged bank deposits as security given to a bank for a facility (31 March 2024: Nil).

Capital Commitments and Contingent Liabilities

Claims against Kingkey Securities Group Limited by Margin Clients

During the period from 22 January 2021 to 29 January 2021, Kingkey Securities Group Limited ("KKSG"), a wholly-owned subsidiary of the Company received five writs of summons issued in High Courts of Hong Kong by five different margin clients of KKSG, which claimed against KKSG for the cash balances with total sum of approximately HK\$54.3 million in the five margin accounts (which approximately HK\$47.3 million were frozen and restricted from securities trading under the restriction notice issued by the regulator) and equity securities held as collateral of the respective five margin clients (the "Claims"), maintained with KKSG. The directors of the Company are of the view that the Claims have no merit.

The directors of the Company consider that no provision for the Claims is required as these margin clients had withdrawn approximately HK\$7 million during the year ended 31 March 2021 and the remaining amounts of the Claims of approximately HK\$47.3 million have already been recorded as liabilities in Note 28 to the consolidated financial statements in this report.

Material Acquisitions or Disposals and Significant Investments

Discloseable transaction – Acquisition of interest of Youngtimers AG

On 24 September 2024 (after trading hours), the Company as the purchaser and IndexAtlas AG (“IndexAtlas”) as the vendor entered into a sale and purchase agreement, pursuant to which the Company conditionally agreed to purchase and IndexAtlas conditionally agreed to sell, 6,000,000 fully paid-in bearer shares of par value of CHF0.42 each, being 9.68% of the issued share capital of Youngtimers AG as at the date thereof, at the consideration of CHF4.32 million (equivalent to approximately HK\$39.67 million), which shall be satisfied by the issue and allotment of 93,786,894 consideration shares by the Company at HK\$0.423 each, under specific mandate.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the acquisition are more than 5% but are all less than 25%, the acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

On 22 January 2025, an extraordinary general meeting was held where the specific mandate, among other things, related to the acquisition was granted and approved by Shareholders.

On 11 February 2025, the completion of the acquisition under the sale and purchase agreement took place in accordance with the relevant terms and conditions, where 93,786,894 new Shares were issued and allotted to IndexAtlas at the issue price of HK\$0.423 per consideration shares, representing approximately 5.40% of the issued share capital of the Company on the day of completion.

For more details of the acquisition, please refer to the announcements of the Company dated 24 September 2024, 22 January 2025, 4 February 2025 and 11 February 2025 and the circular dated 7 January 2025.

Save as disclosed above, the Group has no significant investment and acquisition that are required to disclose under Chapter 14 of the Listing Rules during the period.

Save as disclosed, during FY2025, the Company did not have any material acquisitions or disposals and significant investments.

Final Dividend

The directors do not recommend any final dividend for FY2025 (FY2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Employee Information

As at 31 March 2025, the Group had a total of 65 staff members including Directors (31 March 2024: 100). Staff costs including Director's remuneration amounted to approximately HK\$31.3 million for FY2025 (FY2024: approximately HK\$42.9 million). Remuneration is determined based on the individual's qualification, experience, position, job responsibility and market conditions. Salary adjustments and staff promotion are based on evaluation of staff performance by way of annual review, and discretionary bonuses would be paid to staff with reference to the financial performance of the Group of the preceding financial year. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong.

Environmental Policies and Compliance with Relevant Laws and Regulations

The Group's Environmental, Social and Governance Report for the year ended 31 March 2025 will be published on the respective websites of the Stock Exchange and the Company on 30 July 2025. No material impact of the relevant laws and regulations in relation to environment is identified on business operations.

Risk Management

Credit risk

Credit risk exposure represents trade receivables and loan receivables from customers principally arising from our business activities. The Group has a credit policy in place and the credit risk is monitored on an on-going basis.

In order to minimise the credit risk, management of the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that appropriate and speedy follow up actions are taken on overdue balances. In this regard, the Board considers that the Group's credit risk is significantly reduced.

Liquidity risk

The Group monitors its current and expected liquidity requirements regularly and ensures sufficient liquid cash and adequate committed lines of funding from reputable financial institutions are available to meet the Group's liquidity requirements in the short and long terms.

Foreign currency risk

The Group carries out its business in Hong Kong and worldwide and most of the transactions are denominated in Hong Kong Dollar, Renminbi, United States Dollar and Danish Krone. The sales and purchases transactions of the Group are exposed to the foreign currency risk.



MANAGEMENT DISCUSSION AND ANALYSIS

To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors the exposure to foreign currency risk. The management of the Group may implement foreign currency forward contracts to hedge the exposure to foreign currency risk. As the Hong Kong Dollar is pegged to the United States Dollar, the Group considers the risk of movements in exchange rates between the Hong Kong Dollar and the United States Dollar to be insignificant.

During the year under review, the Group has certain investments in foreign operations in Denmark, whose net assets are exposed to foreign currency risk. The impact of exchange rate fluctuations on the net assets of the Group's foreign operations is considered to be manageable as such impact will be offset by borrowings denominated in Danish Krone.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. MONG Cheuk Wai (蒙焯威), aged 65, was appointed as executive Director on 4 October 2021. He obtained a bachelor's degree of social sciences from the University of Hong Kong in 1983. He has over 35 years of working experience in direct investments, industrial investments, private equity funds and real estate developments. Mr. Mong started his career with Chase Manhattan Bank (now known as JPMorgan Chase Bank, N.A.) and joined Nan Fung Group in 1999, responsible for establishing the alternative investment business for Nan Fung Group. He had been an independent non-executive director of i-Control Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 1402) during the period from 13 November 2018 to 4 February 2021. On 12 February 2024, Mr. Mong was appointed as the Chairman of the Company.

Ms. CHEUNG Pui Ki Gloria (張佩琪), aged 44, was appointed as executive Director on 12 March 2024. Ms. Cheung has over ten years of experience in auditing and accounting industry. She currently worked as a chief financial officer of Uncharted Group since October 2017. Prior to that, Ms. Cheung served as a chief financial officer and company secretary of Success Dragon International Holdings Limited (stock code: 1182), a company listed on the Main Board of The Stock Exchange from July 2011 to October 2017. She was an audit manager in BDO Limited from September 2010 to July 2011. Ms. Cheung obtained a Bachelor of Business Administration in Account from Lingnan University. She is a member of Hong Kong Institute of Certified Public Accountants and a fellow member of association of chartered certified accountants. She resigned as the executive Director on 17 June 2025.

Mr. LEUNG Siu Kee (梁兆基), aged 48, has more than 20 years of experience in accounting industry. He had worked in two international accounting firms for 5 years, mainly to provide auditing and business assurance services. He has been a director of a certified public accounting limited and a company providing accounting and taxation services since August 2008 and September 2016, respectively. Mr. Leung has been an executive director of Coolpad Group Limited (stock code: 2369) from January 2018 to October 2019 and an independent nonexecutive director of Chuanglian Holdings Limited (stock code: 2371), since December 2009. He had been an independent non-executive and non-executive director of KK Culture Holdings Limited (stock code: 550) for the period from September 2015 to January 2018, the shares of all of which are listed on the Main Board of the Stock Exchange. Mr. Leung obtained a bachelor degree of business administration in accounting from The Hong Kong University of Science and Technology in November 1998 with first class honour. He has been a member of the Hong Kong Society of Accountants since March 2003 and currently a practising certified public accountant of the Hong Kong Institute of Certified Public Accountants.

From 16 August 2019 to 20 November 2024, Mr. Leung was an independent non-executive Director of the Company, the chairman of the nomination committee and the member of the audit committee and remuneration committee. Since his redesignation on 20 November 2024 from independent non-executive Director to executive Director, Mr. Leung ceased to be the chairman of the nomination committee of the Board and a member of the audit committee of the Board. He also ceased to be the member and chairman of the special board committee of the Board upon its dissolution on 20 November 2025. Mr. Leung remains a member of each of the remuneration committee and nomination committee of the board of directors of the Company. On 15 December 2024, upon the establishment of the investment committee of the board of directors, Mr. Leung was appointed as the chairman of the investment committee of the board of directors.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Ms. MAK Yun Chu (麥潤珠), aged 67, is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants, and has over 10 years of experience in accounting and administration. Ms. Mak has been an independent non-executive director of Heng Tai Consumables Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 197) since April 2004 and was an independent non-executive director of Wealth Glory Holdings Limited, a company listed on GEM of the Stock Exchange from September 2010 to November 2013 (stock code: 8269).

Ms. Mak has been an independent non-executive Director of the Company, the chairperson of the audit committee of the Company and the member of the remuneration committee and nomination committee of the Company since 15 March 2016. Ms. Mak was a member of the special committee of the board of directors from 12 February 2024 until its dissolution on 20 November 2024.

Mr. HUNG Wai Che (孔偉賜), aged 48, was appointed as independent non-executive Director on 26 August 2016. He has over 14 years of experience in legal field and operating and managing various energy and recycling projects including power station and oil refinery factories in China and Hong Kong. He graduated from the University of Wales, Aberystwyth, United Kingdom with Honours Degree in Law. Mr. Hung has been an independent non-executive director of Jimu Group Limited, (stock code: 8187), the shares of which are listed on GEM of the Stock Exchange since 30 December 2021.

Mr. Hung has been an independent non-executive Director of the Company, the chairman of the remuneration committee and the member of the nomination committee and audit committee since 26 August 2016. Mr. Hung was a member of the special committee of the board of directors from 12 February 2024 until its dissolution on 20 November 2024. On 15 December 2024, upon the establishment of the investment committee of the board of directors, Mr. Hung was appointed as the member of the investment committee of the board of directors.

Mr. CHAN Ting Fung (陳霆烽), aged 41, was appointed as independent non-executive Director on 1 July 2022. He obtained a bachelor's degree in Law from the Jinan University of Guangzhou in 2007. He has been working in the legal field for more than 14 years, with extensive experience in handling commercial matters in the mainland China, including merger and acquisition, joint ventures, finance, logistics, international trade, intellectual property, real estate and construction, employment, investment and cross-border dispute resolution. Mr. Chan has been an independent non-executive director of Sun Kong Holdings Limited (Stock code: 8631) since September 2022, the shares of which are listed on GEM of the Stock Exchange.

Mr. Chan has been a member of the audit committee, remuneration committee and nomination committee since 2022. Mr. Chan was a member of the special committee of the board of directors from 12 February 2024 until its dissolution on 20 November 2024. He was also appointed as the chairman of the nomination committee of the board of directors on 20 November 2024.

CORPORATE GOVERNANCE REPORT

Compliance with the Corporate Governance Code

The Company endeavours in maintaining a high standard of corporate governance for the enhancement of shareholders' value and providing transparency, accountability and independence. The Company has fully complied with the required code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix C1 to the Listing Rules for the year ended 31 March 2025. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with the Code and align with the latest developments.

Company Secretary

Mr. Ngai Tsz Hin Michael ("Mr. Ngai"), an external service provider, was appointed as company secretary of the Company (the "Company Secretary") with effect from 22 January 2024. The Company has assigned Mr. Mong Cheuk Wai, the executive director, as the contact person with Mr. Ngai. Information in relation to the performance, financial position and other major developments and affairs of the Group are speedily delivered to Mr. Ngai through the contact person assigned. Hence, all directors are still considered to have access to the advice and services of the Company Secretary in light of the above arrangement in accordance with code provision C.6.4 of the Code. Having in place a mechanism that Mr. Ngai will get hold of the Group's development promptly without material delay and with his expertise and experience, the Board is confident that having Mr. Ngai as the Company Secretary is beneficial to the Group's compliance with the relevant board procedures, applicable laws, rules and regulations. For the year ended 31 March 2025, Mr. Ngai has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

Purchase, Redemption or Sale of Listed Securities of the Company or Sale of Treasury Shares

During the year ended 31 March 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)).

Compliance with the Model Code for Securities Transactions by Directors

The Group adopted the model code for securities transactions by Directors the ("Model Code") on terms no less exacting than that set out in Appendix C3 of the Listing Rules. Upon the Group's specific enquiry, all Directors confirmed that during the year ended 31 March 2025, they had fully complied with the Model Code.

Corporate Culture and Strategy

The Company acts as an investment holding company and the principal activities of its major subsidiaries include provision of membership and event service, multi-channel network and licensing service, securities brokerage, insurance brokerage, asset management services, money lending services in Hong Kong for new brokerage and investment holding. With diversified businesses, by recognizing the importance of stakeholders at the Board level and throughout the Group, we strive to provide high quality and reliable products and services, and to create values to the stakeholders through sustainable growth and continuous development.

CORPORATE GOVERNANCE REPORT

The Board has set the following values to provide guidance on employees' conduct and behaviors as well as the business activities, and to ensure they are embedded throughout the Company's vision, mission, policies and business strategies:

- Integrity: do the right things;
- Excellence: deliver our products and services excellence;
- Collaboration: work better together;
- Accountability: accountable for our commitments;
- Empathy: care about our stakeholders; and
- Sustainability: commit to a sustainable future.

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

Board of Directors

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making.

As at the date of this report, the Board comprises two executive Directors and three independent non-executive Directors and is accountable to shareholders. The powers and duties of management and control of the business of the Company are generally vested in its Board. It is the duty of the Board to enhance value of the Company to the shareholders. The composition of the Board and biographies of the Directors are set out on pages 20 to 21 of this annual report.

The two executive Directors are responsible for the leadership and control of the Company, overseeing the Group's businesses, strategic decisions and performances and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The three independent non-executive Directors are responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as providing adequate checks and balances in the Board in order to protect shareholders' interest and overall interest of the Group.

CORPORATE GOVERNANCE REPORT

Each of the independent non-executive Directors has given the Company an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive Directors are independent and meet the independent guidelines set out in Rule 3.13 of the Listing Rules. Throughout the year ended 31 March 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one of them possessing appropriate professional qualifications on accounting or related financial management expertise. The number of independent non-executive Directors has represented at least one-third of the Board.

Roles of Chairman and Chief Executive Officer

Currently, the position of Chairman is assumed by Mr. Mong Cheuk Wai. Although the Chief Executive Officer position has been vacant, but the Executive Directors perform similar function as Chief Executive Officer. Besides, the Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation by management. The Board monitors the Group's operating and financial performance and ensures that effective governance and corporate social responsibility and policies and sound internal control and risk management systems are in place. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are comparable to those in the Code Provision.

Division of Responsibilities of the Board and Management

The following types of matters are reserved for the Board's approval:

- (a) corporate and capital structure;
- (b) corporate strategy;
- (c) policies (including but not limited to those relating to corporate governance);
- (d) business and management;
- (e) key financial matters;
- (f) appointment of Board members, senior management and auditor;
- (g) remuneration of directors and senior management; and
- (h) communication with shareholders and the Stock Exchange.

The matters delegated by the Board to the management's decision include:

- (a) approval of extension of the Group's activities not in a material manner into a new geographical location or a new business;
- (b) approval and assessment of the performance of all business units;
- (c) approval of expenses up to a certain limit;
- (d) approval of connected transactions not requiring disclosure under the Listing Rules;
- (e) approval of the nomination and appointment of personnels other than the members of the Board and senior management;
- (f) approval of press release concerning matters decided by the Board;
- (g) approval of any matters related to routine matters or day-to-day operation of the Group; and
- (h) matters further delegated by the Board from time to time.

Appointment, Re-election and Removal

Under article 84 of the Company's Articles of Association, at each annual general meeting, not less than one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not to offer himself for re-election. Any further Directors who have been longest in office since their last re-election or appointment shall also retire by rotation.

Under code provision B.2.2 of the Code, every Director should be appointed for a specific term, subject to retirement by rotation at least once every three years. The term of appointment for each of the independent non-executive Directors appointed by the Company is three years, subject to re-election and other requirements under the Company's Articles of Association, the Code and the respective letter of appointments.

On 20 November 2024, Mr. Leung Siu Kee ("Mr. Leung"), who was appointed as an independent non-executive Director on 16 August 2019 and member of each of the audit committee and remuneration committee of the board of directors of the Company, was redesignated from an independent non-executive Director to an executive Director (the "Redesignation"). Upon the Redesignation, Mr. Leung has ceased to be the chairman of the nomination committee of the Board and a member of the audit committee of the Board. He also ceased to be the member and chairman of the special board committee of the Board upon its dissolution on 20 November 2025. Mr. Leung remains a member of each of the remuneration committee and nomination committee of the board of directors of the Company. Mr. Leung has entered into a new service agreement (the "Service Agreement") with the Company for an initial term of 2 years, commencing with effect from 20 November 2024. Mr. Leung shall hold office until the first general meeting of the Company after his appointment and shall be subject to retirement and re-election at such meeting in accordance with the articles of association of the Company.

CORPORATE GOVERNANCE REPORT

Number of Independent Non-executive Directors and their contribution

- (i) Three out of five Directors are Independent Non-executive Directors, which exceeds the requirement of the Listing Rules that at least one-third of the Board are independent non-executive directors.
- (ii) The composition of the Board should provide a sufficient balance of skill, experience and diversity of perspectives in leading the Company to achieve its goal.
- (iii) Executive Director will meet with the Independent Non-executive Directors at least annually.
- (iv) Executive Director should at least annually hold meetings with the Independent Non-executive Directors without the presence of other Directors.
- (v) If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. Independent Non-executive Directors who, and whose close associates, have no material interest in the transaction should be present at that Board meeting.

Appointment and independence of Non-executive Directors

- (i) Nomination Committee will assess the independence of a candidate who is nominated to be a new Independent Non-executive Director before appointment and the continued independence of the current long-serving Independent Non-executive Director, if any, on an annual basis. All Independent Non-executive Directors are required to submit a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the Rule 3.13 of the Listing Rules.
- (ii) When all of the Independent Non-executive Director have served more than nine years on the Board,
 - a. the Nomination Committee will nominate, and the Company will appoint, a new Independent Non-Executive Director on the Board at the forthcoming annual general meeting; or
 - b. such Independent Non-executive Directors' further appointments should be subject to a separate resolution to be approved by shareholders, with papers accompanying to that resolution including the factors considered, the process and discussion of the Nomination Committee in arriving at the determination that such Independent Non-executive Directors are still independent and should be re-elected.
- (iii) A Director (including Independent Non-executive Director) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same.
- (iv) No equity-based remuneration with performance-related elements will be granted to Independent Non-executive Directors.

Term of appointment of Non-executive Directors

Each of the non-executive Directors (including independent non-executive Directors) of the Company has entered into a letter of appointment with the Company for a specific term of three years, automatically renewable upon expiration, and is subject to retirement by rotation at an annual general meeting at least once every three years and being eligible, offer himself/herself for re-election pursuant to the Company's Bye-laws.

Channels where independent views are available

All Directors are entitled to retain independent professional advisors as and when it is required and at the Company's expense in appropriate circumstances.

Board meetings where independent views are expressed

- (i) The Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. At least 14 days' notice of a regular Board meeting is given to all Directors to provide them with an opportunity to attend and all Directors are given an opportunity to include matters in the agenda for a regular meeting. For all other Board meetings, reasonable notice should be given.
- (ii) Board papers are usually dispatched to the directors at least three days before the meeting to ensure that Directors have sufficient time to review the papers and be adequately prepared for the meeting.
- (iii) Directors unable to attend a meeting are advised of the matters to be discussed and are given an opportunity to make their views known to the Executive Director prior to the meeting.
- (iv) All Directors are encouraged to express their views in an open and candid manner during the Board/Board Committees meetings.
- (v) Independent Non-executive Directors and other Non-executive Directors should make a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments.

Number of Meetings and Directors' Attendance

Regular Board meetings should be held at least four times a year at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2025, the Board held 7 Board meetings. The Company held the annual general meeting on 22 August 2024 for the year ended 31 March 2024 and three extraordinary general meetings on 22 January 2025 and 29 August 2024. The table below sets out the individual attendance record of each Director at the Board meetings and general meeting during the year:

Name of Directors	Attendance/Number of meetings	
	Board meetings	General meetings
<i>Executive Directors</i>		
Mr. Mong Cheuk Wai	7	2
Ms. Cheung Pui Ki Gloria ¹	7	4
Mr. Leung Siu Kee ²	7	4
<i>Independent Non-executive Directors</i>		
Ms. Mak Yun Chu	7	4
Mr. Hung Wai Che	7	4
Mr. Chan Ting Fung	7	4

Note:

¹ Ms. Cheung Pui Ki Gloria resigned as an executive Director on 17 June 2025.

² Mr. Leung Siu Kee was redesignated as an executive Director on 20 November 2024.

The company secretary attended all the scheduled Board meetings to report matters relating to corporate governance, risk management, statutory compliance, accounting and finance.

Under code provision C.1.6 of the Code, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of the shareholders.

The Board places emphasis on diversity (including gender diversity) across all levels of the Group. For the year ended 31 March 2025, the Company maintained an effective Board comprising members of different genders, professional background and industry experience. The Company's board diversity policy was consistently implemented. Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report to be published on the respective websites of the Stock Exchange and the Company on 30 July 2025. The Board considers that the gender diversity in workforce is currently achieved.

The board diversity policy was annually reviewed by the Nomination Committee and the Board respectively.

Nomination Policy

The Nomination Committee reviews the structure, size and composition of the Board periodically and make recommendation on any proposed changes to the Board to complement the Company's corporate strategy.

When it is necessary to fill a casual vacancy or appoint an additional director, the Nomination Committee identifies or selects candidates pursuant to the skills, knowledge and experience required by the Board. Based upon the recommendation of the Nomination Committee, the Board deliberates and decides on the appointment. In addition, every director shall be subject to retirement by rotation or re-election at least once every three years and shall be eligible for re-election at each annual general meeting. The Nomination Committee shall review the overall contribution and service to the Company, expertise and professional qualifications of the retiring directors, who offered himself/herself for re-election at the annual general meeting, to determine whether such director continues to meet the criteria required by the Board.

Board Independence Evaluation Mechanism

The Company has adopted the board independence evaluation mechanism. The details are as follows:

Objective

Continuing improvement and development of the Board and its committee processes and procedures through Board independence evaluation provides a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development.

The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

This mechanism is designed to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgment to better safeguard Shareholders' interests.

Mechanism

- (a) Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive Directors, for appointment as Directors.
- (b) Nomination policy is in place with details of the process and criteria of identifying, selecting, recommending, cultivating and integrating new directorship.

CORPORATE GOVERNANCE REPORT

- (c) For independent non-executive Directors (“INED(s)”):
 - (i) Every INED is required to confirm in writing to the Company his/her independence upon his/her appointment as Director with reference to such criteria as stipulated in the nomination policy as well as the Listing Rules;
 - (ii) Each INED has to declare his/her past or present financial or other interests in the Group’s business as soon as practicable, or his/her connection with any of the Company’s connected persons (as defined in the Listing Rules), if any; and
 - (iii) Each INED is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence.
- (d) The Nomination Committee will assess annually the independence of all INEDs and to affirm if each of them still satisfies the criteria of independence as set out in the Listing Rules and is free from any relationships and circumstances which are likely to affect, or could appear to affect, their independent judgement. Every Nomination Committee member should abstain from assessing his/her own independence.
- (e) Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it will set out in the circular to Shareholders the reasons it believes he/she should be elected and the reasons it considers him/her to be independent.
- (f) A mechanism is in place for Directors to seek independent professional advice in performing their duties at the Company’s expense.
- (g) Directors are encouraged to access and consult with the Company’s senior management independently, if necessary.
- (h) The Board Independence Evaluation may take in the form of a questionnaire to all Directors individually and may be supplemented by individual interview with each Director, if necessary, and/or in any other manners which the Board considers fit and necessary.
- (i) The Board Independence Evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.
- (j) The results of the Board Independence Evaluation or a summary of the findings of the said evaluation will be disclosed in the CG Report contained in the annual report of the Company or on the Company’s website for accountability and transparency purposes.
- (k) The aforesaid Board Independence Evaluation will be regarded as an ongoing exercise of the Company while the Company may seek assistance from external consultant if an external evaluation on the same subject is needed.

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2025 and as at the date of this report, the Board Independence Evaluation had been conducted by way of completing a questionnaire by all Directors. The results of the Board Independence Evaluation are summarised as follows:

1. The Board as a whole possessed the skills and range of experience needed to adequately fulfill its fiduciary responsibilities, more reliably hold management to account, and better safeguard Shareholders' interests.
2. Board meetings were conducted in a manner that allowed open communication, meaningful participation (including in-depth discussion and resolutions of issues).
3. All INEDs brought independent judgement to bear on the Board's deliberations.
4. All INEDs have actively participated in all Board meetings and Board Committees' meetings; and raised governance and ethical issues to the Board.

Diversity Policy

The Company recognises and embraces the importance of having a diverse Board, that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. Pursuant to the board diversity policy, the Company seeks to achieve the Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and any other factors that the Board may consider relevant and applicable from time to time. All Directors appointment will be based on applicable merits and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee shall review the Board Diversity Policy and make recommendations to the Board on amendments to the Board diversity policy (if any) as appropriate, which will include an assessment of the implementation and effectiveness of the Board diversity policy on an annual basis in accordance with code provision B.1.3 of the Code. The Board Diversity Policy is available on the website of the Company for public information.

The Board currently has one female Director. We will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the Shareholders' expectation and international and local recommended best practices. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we are committed to providing career development opportunities for female staff so that we will have a pipeline of female senior management and potential successors to our Board in near future.

CORPORATE GOVERNANCE REPORT

Whistle-blowing Policy

In compliance with code provision D.2.6 of the Code, the Board adopted a whistle-blowing policy. It provides employees and the relevant third parties who deal with the Group (e.g. customers, and suppliers) with guidance and reporting channels on reporting any suspected improprieties in any matters related to the Group directly addressed to the Audit Committee and designated person. An email account (whistleblowing@kkic.com.hk) has been set up for this purpose. All reported matters will be investigated independently and, in the meantime, all information received from a whistle-blower and its identity will be kept confidential.

The Board and the Audit Committee will regularly review the whistle-blowing policy and mechanism to improve its effectiveness.

Anti-fraud and Anti-corruption Policy

In compliance with the new code provision D.2.7 of the Code, the Board adopted an anti-fraud and anti-corruption policy. It outlines guidelines and the minimum standards of conducts, all applicable laws and regulations in relation to the anti-corruption and anti-bribery, the responsibilities of employees to resist fraud, to help the Group defend against corrupt practices and to report any reasonably suspected case of fraud and corruption or any attempts thereof, to the management or through an appropriate reporting channel. The Group would not tolerate all forms of fraud and corruption among all employees and those acting in an agency or fiduciary capacity on behalf of the Group, and in its business dealing with third parties.

The Board and the Audit Committee will review the anti-fraud and anti-corruption policy and mechanism periodically to ensure its effectiveness and enforce the commitment of the Group to the prevention, deterrence, detection and investigation of all forms of fraud and corruption.

Practice and Conduct of Meetings

Code provision C.5.3 of the Code stipulates that at least 14 days' notice should be given for a regular Board meeting. For other Board and committee meetings, reasonable notices are generally given. Schedules, notices and draft agenda of each meeting are normally made available to Directors in advance in accordance with code provision C.5.3 of the Code.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or audit committee meeting to keep the Directors abreast of the latest developments and financial position of the Group and to enable them to make informed decisions. All Directors are given an opportunity to include matters in the agenda for regular Board meetings. The Board and each Director also have separate and independent access to the senior management whenever necessary. With the support of the senior management, the Chairman is ensuring that the Directors receive adequate, complete and reliable information in a timely manner and appropriate briefing on issues arising at Board meetings.

Minutes of all Board meetings recording sufficient details of matters considered and decisions reached are duly kept by the company secretary and opened for inspection by the Directors.

Article 100 of the Company's Articles of Association requires Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Training and Continuing Development of Directors

Each Director should participate in continuous professional development to develop and refresh their skills to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

The Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development for Directors will be arranged where necessary.

The Company has also from time to time provided the Directors with continuous update on the latest development regarding the Listing Rules and other regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

All Directors have participated in appropriate continuous professional development and refreshed their knowledge and skills during the year. Such professional development was completed either by way of attending briefings, conference, forum, courses and seminars and self-reading which are relevant to the business or directors' duties.

CORPORATE GOVERNANCE REPORT

The following table sets out the different training received by each Director in order to comply with provision C.1.4 of the Code.

Name of Directors	Attending seminar(s)/ programme(s)/ conference(s) and/ or reading materials relevant to the business or directors' duties
<i>Executive Director</i>	
Mr. Mong Cheuk Wai	✓
Ms. Cheung Pui Ki Gloria	✓
Mr. Leung Siu Kee	✓
<i>Independent Non-Executive Director</i>	
Ms. Mak Yun Chu	✓
Mr. Hung Wai Che	✓
Mr. Chan Ting Fung	✓

A: attending seminars and/or programmes and/or conference

B: reading materials relating to the economy, general business or regulatory updates

Board Committees

The Board has set up four Board committees, namely the audit committee, the remuneration committee, the nomination committee and the investment committee, to oversee particular aspects of the Group's affairs.

The special board committee ("Special Board Committee") of the board of directors (the "Board") was dissolved with effect from 20 November 2024. As the original purposes of the establishment of the Special Board Committee had been fulfilled, the Board considered that the Special Board Committee was no longer needed and the functions and duties of the Special Board Committee were to be taken up by the Board as a whole going forward if needed.

The committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expenses.

Audit Committee

The Company established an audit committee (the “Audit Committee”) on 1 August 2012. During the year ended 31 March 2025, the Audit Committee comprised Ms. Mak Yun Chu (Chairperson), Mr. Leung Siu Kee, Mr. Hung Wai Che and Mr. Chan Ting Fung. Since 20 November 2024, Mr. Leung Siu Kee was redesignated as an executive Director and ceased to be a member of the Audit Committee.

The Audit Committee is governed by its written terms of reference in compliance with code provision D.3.3 of the Code. Among other things, the primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. During the year, the committee met its responsibilities in reviewing the interim and annual results for the year with the professional accounting firm engaged by the Group, which conducted regular internal audits and report to the committee.

During the year, 2 committee meetings were held with all the then committees members present and the Board has taken no different view in respect of the Audit Committee’s recommended reappointment.

Remuneration Committee

The Company established a remuneration committee (the “Remuneration Committee”) on 1 August 2012. During the year ended 31 March 2025, the Remuneration Committee comprised of Mr. Hung Wai Che (Chairperson), Ms. Mak Yun Chu, Mr. Leung Siu Kee and Mr. Chan Ting Fung until 20 November 2024.

The Remuneration Committee is governed by its terms of reference in compliance with code provision E.1.2 of the Code. The primary duties of the Remuneration Committee include the following:

- (a) making recommendations to the Board on the Company’s policy and structure for all Directors’ and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) reviewing and approving the management’s remuneration proposals with reference to the Board’s corporate goals and objectives; and
- (c) evaluating the performance and exercising the delegated power of the Board to determine the remuneration packages of all executive Directors and senior management.

During the year ended 31 March 2025, the Remuneration Committee met 1 time with presence of all the eligible members for the time being and reviewed, determined and made recommendation (as the case may be) on the remuneration package of Directors of the Group.

CORPORATE GOVERNANCE REPORT

Nomination Committee

The Company established a nomination committee (the “Nomination Committee”) on 1 August 2012. During the year ended 31 March 2025, the Nomination Committee comprised of Mr. Leung Siu Kee (Chairperson), Mr. Hung Wai Che, Ms. Mak Yun Chu and Mr. Chan Ting Fung. Since 20 November 2024, Mr. Chan Ting Fung was appointed the chairperson of the Nomination Committee and Mr. Leung Siu Kee stepped down and remained a member of the Nomination Committee.

The Nomination Committee is governed by its terms of reference in compliance with code provision A.4.5 of the Code as set out in Appendix C1 to the Listing Rules. The primary duties of the Nomination Committee include:

- (a) reviewing the structure, size and diversity of the Board at least annually and making recommendations on any proposed changes to the Board to complement the issuer’s corporate strategy;
- (b) nominating potential candidates for directorship;
- (c) reviewing the nomination of directors and making recommendations to the Board on terms of such appointment; and
- (d) assessing the independence of independent non-executive Directors.

The Company has adopted the Board Diversity Policy which sets out its approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board. The Company recognises the benefits of Board diversity and endeavours to ensure that the Board has the appropriate balance and level of skills, experience and perspectives required to support the execution of its business strategies. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration factors based on its own business model and specific needs from time to time in determining the optimum composition of the Board. The Board has set measurable objectives (in terms of gender, skills and experience) to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

The Nomination Committee considers that the current composition of the Board is characterised by diversity after taking into account its own business model and specific needs, whether considered in terms of professional background and skills.

CORPORATE GOVERNANCE REPORT

During the year ended 31 March 2025, the Nomination Committee met 1 time with the presence of all members for the time being and (i) reviewed and discussed the structure, size and diversity of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group and (ii) recommended on the re-election of the retiring Directors.

Investment Committee

The Company established an investment committee (the “Investment Committee”) on 15 December 2024. The Board has appointed Mr. Leung Siu Kee as the chairman of the Investment Committee and Mr. Hung Wai Che has been designated as a member of the Investment Committee. The Investment Committee is governed by its terms of reference formulated to regulate the operation and procedures of the Investment Committee and clarify the responsibilities and authorities of the Investment Committee in accordance with the Companies Law of the Cayman Islands, Listing Rules, the Company’s Articles of Association and other relevant regulations.

The Investment Committee was established to enhance operational efficiency and strengthen the investment decision-making and risk management process, particularly considering the Company along with its subsidiaries’ strategic focus on cryptocurrencies and related technologies. Additionally, the Investment Committee will evaluate, approve, and make recommendations concerning various investment opportunities presented by the Group’s management team.

Directors’ and Officers’ Insurance

Appropriate insurance covering on directors’ and officers’ liabilities has been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

Directors’ and Auditor’s Responsibilities in Respect of the Consolidated Financial Statements

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, other inside information announcements and other financial disclosures required under the Listing Rules and other statutory requirements.

The Directors acknowledge their responsibilities for the preparation of the accounts which give a true and fair view of the financial position of the Group and of its financial performance and cash flows for the year ended 31 March 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern, therefore the Directors continue to adopt the going concern approach in preparing the consolidated financial statements.

The statement by the auditor of the Company regarding its reporting responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor’s Report on pages 56 to 60.

CORPORATE GOVERNANCE REPORT

Auditors' Remuneration

The remuneration paid/payable to the auditors of the Group for the year ended 31 March 2025 is set out as follows:

Services rendered	Paid/payable HK\$'000
Statutory audit services	
– McMillan Woods (Hong Kong) CPA Limited	1,000
– Other auditors	108
	1,108

Internal Controls and Corporate Governance Policies

The Board has overall responsibility for monitoring the internal control system and corporate governance of the Company. The Board has developed its systems of internal control and risk management and is also responsible for reviewing and maintaining an adequate internal control system and developed and reviewed the corporate governance policies at least once a year to safeguard the interests of the shareholders and the assets of the Company and ensure compliance with legal and regulatory requirements by the Group. During the year, the Board has conducted a review of the effectiveness of the internal control system of the Company and reviewed the corporate governance policy documents and terms of reference of Board committees of the Company and the compliance with the legal and regulatory requirements, including the Code. Based on the above, the Board has formed the view that the Group has established effective and adequate risk management and internal control systems.

Internal Audit and Risk Management

During the Financial Year, the Group has complied with code provision C.2 of the Code by establishing appropriate and effective risk management and internal control systems, which are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board, as supported by the Audit Committee as well as the Management, reviewed the effectiveness of risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 March 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and staff qualifications, experiences and relevant resources. Based on the above, the Board formed the view that the Company has established effective and adequate risk management and internal control systems.

Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis and an internal audit on the internal control and risk management systems performed on an annual basis. Main features of the risk management and internal control systems are described as follows:

Risk management system

The Group has adopted a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: consider the risk responses, ensure effective communication to the Board and on-going monitor the residual risks.

Based on the risk assessments conducted for the financial year, no significant risk was identified.

Risk management system on money lending business

The money lending business is conducted by the Group's wholly-owned subsidiary, Kingkey Finance Limited, which is a licensed money lender under the Money Lenders Ordinance. Based on the existing business model, clients may apply the loans obtained from Kingkey Finance Limited for personal or corporate purposes.

The Group offers fixed-term loans to clients. The Group enters into loan agreement with its clients, which typical sets out the parties, date of the agreement, principal amount, collateral requirements, maturity date, interest period, interest rates, events of default and a summary of provisions of Part III and Part IV of Money Lenders Ordinance. Upon expiry of the initial term, loans may be renewed based on the Group's further assessment on the financial background of the client, the quality of the collaterals and any further security, the creditability of the client, the funds available to us at the time of the renewal and the prevailing market environment.

To manage the associated credit exposure from the Group's money lending business, the Group has credit assessment and internal control procedures.

CORPORATE GOVERNANCE REPORT

The Group shall complete credit assessment for applicants for its money lending services. In assessing their creditworthiness, the Group primary focus is on the collateral and security (if any) offered as well as the applicant's background. The Group evaluate collateral according to various matrices, such as their liquidity, market value volatility and type. In addition to the collateral, the Group's credit assessment department takes into account the client's occupation, financial condition, reputation, investment purpose, securities concentration, asset proof and credit history, which facilitate the Group's assessment on the client's repayment ability. Where necessary, the Group may conduct credit search with external agencies to obtain background information and credit history of its client.

It is the policy of the Group to review the outstanding amount of each loan at least yearly or in a more frequent manner depending on individual circumstances or market condition. Impairment allowances on individual assessed accounts are determined by an evaluation of the incurred loss at balance sheet date on a case-by-case basis, and are applied to all individually significant accounts.

Other key internal controls of the Group's money lending business include (i) the credit approval process; and (ii) post-loan monitoring process.

Credit approval

The Group's credit risk management department reviews and evaluates the credit assessment results with the documents offered in support of the loan application. Based on the Group's credit assessment and upon application by its client, the Group set the appropriate credit line for each client. The risk management approves and, where appropriate, revises the credit line extended to each client upon request and completion of internal assessment procedures.

Applicant for money lending service shall sign the loan agreement with us and issue drawdown notice within the term of the loan agreement.

Post-loan monitoring

During the monitoring stage, the Group's credit risk management department monitors the repayment status of each loan on a monthly basis and is required to report to those charged with governance.

For secured loan, during the loan monitoring process, where the Group notice that the value of the collateral is considered to be insufficient to cover its risk exposure or that the actual loan-to-value ratio with respect to any loan advanced has reached or exceed an accepted ratio, the Group may require the borrower to deposit additional collateral and/or security, partially repay the outstanding loan or realise the value of the collateral in order to bring the loan-to-value ratio back to an accepted level.

For unsecured loan, the credit department should conduct annual review on each loan which remains outstanding and if the Group notice that there is a material deterioration in the client's financial position, the Group may require repayment from its client after reporting to its management who monitor the risk level. In the event that any client fails to respond to the Group's request as mentioned above, the Group may take appropriate legal actions for debts which have been due for a long period.

Communication with Shareholders

The Company endeavours to maintain an on-going dialogue with the shareholders and in particular to communicate with the shareholders through annual general meetings or other general meetings and encourage their participation.

The Company will ensure that there are separate resolutions for separate issues proposed at the general meetings.

The Company will continue to maintain an open and effective investor communication policy and to update investors on relevant information on the Group's business in a timely manner, subject to relevant regulatory requirements.

Shareholders' Rights

Convening an extraordinary general meeting

Pursuant to article 58 of the Company's Articles of Association, extraordinary general meetings of the Company (the "EGM") shall be convened on the requisition of any one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company. Such shareholders shall have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and the EGM shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, 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.

Putting enquiries to the Board

To ensure effective communication between the Board and the shareholders, the Company has adopted a shareholders' communication policy (the "Policy"). Under the Policy, the Company's information shall be communicated to the shareholders mainly through general meetings, including annual general meetings ("AGM"), the Company's financial reports (annual, interim and (if any) quarterly reports), and its corporate communications and other corporate publications on the Company's website and the Stock Exchange's website. Shareholders may at any time make a request for the Company's information to the extent that such information is publicly available. Any such questions shall be first directed to Ms. Kwok Yin Ning, the Chief Executive Officer of the Board at the Company's principal place of business in Hong Kong by post at 902, 9th Floor, Harbour Centre, Tower 2, 8 Hok Cheung Street, Hunghom, Kowloon, Hong Kong or by email to admin@kkgroup.com.hk. Shareholders may also directly raise questions during the shareholders' meetings.

CORPORATE GOVERNANCE REPORT

Putting forward proposals at Shareholders' meeting

The number of shareholders necessary for putting forward a proposal at a shareholders' meeting shall be any number of shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the request. The request to put forward a proposal must be made to the attention of the Company Secretary within 30 days from the date of the relevant shareholders' meeting.

Investor relations

The Company believes that maintaining a high level of transparency is a key to enhance investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The Company updates its shareholders on its latest business developments and financial performance through its annual, interim and (if any) quarterly reports. The corporate website of the Company (<http://www.kkggroup.com.hk>) has provided an effective communication platform to the public and the shareholders.

Constitutional documents

There are no changes in the constitutional documents of the Company during the year.

Dividend policy

The company is committed to sharing the results with shareholders while striking a balance of continuous development of its business. Given the current financial condition, the possible financial resources needed for business development, the company does not expect to distribute any dividend in the near term since it intends to reserve capital for business development.

REPORT OF THE DIRECTORS

The Directors are pleased to present their annual report together with the consolidated financial statements of the Company for the year ended 31 March 2025.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 43 to the consolidated financial statements.

Segmental Information

The Group's segment information and revenue for the year ended 31 March 2025 are set out in Note 6 to the consolidated financial statements.

Business Review

A review of the business of the Group during the year are provided in the section headed "Business Review" on page 3 of this annual report. An analysis of the Group's performance during the year using key financial performance indicators are provided in the section headed "Financial Review" on pages 5 to 11 of this annual report.

Principal Risks and Uncertainties

The Group's business risks are mainly (i) global economic condition; (ii) uncertainty regarding compensation arising from the ban on running fur businesses nationwide by the Danish government; and (iii) potential negative impact on the Company's reputation despite the discontinuation of liquidation following common consent by the plaintiff and the Group. The securities and other financial services businesses, insurance brokerage and money lending are subject to the sentiment and conditions of the equity markets in Hong Kong as well as the compliance risk for licensees activities and credit risk of margin and loan receivable.

Contingent Liabilities

During the year ended 31 March 2025, there were no contingent liabilities noted by the Directors.

Environmental Policies and Performance

The Group has long considered environmental protection and energy conservation as one of its key priorities in order to enhance the sustainable development and raise its relative social responsibility to its stakeholders. For details, please refer to the "Environmental, Social and Governance Report" published on the respective websites of the Stock Exchange and the Company on 30 July 2025.

Compliance with Relevant Laws and Regulations

During the year ended 31 March 2025, the Board was not aware of any non-compliance with the relevant laws and regulations that have a significant impact on the Group.

REPORT OF THE DIRECTORS

Relationships with Employees, Customers and Suppliers

The Company understands the importance of maintaining a good relationship with employees, customers and suppliers as they are the foundation of the Group's success.

Employees

The Company strictly complies with all the applicable rules and regulations in relation to employment, to name a few, the Labour Ordinance, Mandatory Provident Fund Ordinance and Personal Data (Privacy) Ordinance, etc. The Group has purchased all necessary insurance and made monthly contributions for its staff and has measures in place endeavoured to protect all staff's personal information. There are channels for staff to express their opinions with regard to their work. Moreover, the Group also strives to provide a safe, healthy and harmonious workplace with fair and equal opportunities for staff of both gender.

Customers

The Group highly values the relationship with its customers and has been emphasising the philosophy of fair dealing. As a result, it has won the loyalty of its customers and established a long-term relationship with them. The Group has, from time to time, sought feedbacks from its customers on the goods and services it provides with a view to improve its service quality continuously.

Suppliers

The Group has also established a long-term relationship and mutual trust with suppliers to ensure the quality and stability of supply of goods. Furthermore, the Company has measure in place for anti-bribery.

Results and Dividends

The results of the Group for the year ended 31 March 2025 and the financial position of the Company and of the Group as at that date are set out in the consolidated financial statements on pages 61 to 181. The Directors do not recommend the payment of final dividend for the year ended 31 March 2025 (FY2024: Nil).

Summary of Financial Information

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the consolidated financial statements in the previous and current annual reports of the Company, is set out on page 182 of this annual report. This summary does not form part of the consolidated financial statements.

Prospects and Development

Looking ahead, the Group remains cautiously optimistic about its prospects in the coming financial year. While uncertainties persist in the broader economic and financial market environment, several positive developments provide a supportive backdrop. Globally, there is an accelerating shift towards digital transformation, with widespread adoption of artificial intelligence, blockchain technologies, and sustainable finance practices reshaping the financial services landscape. Concurrently, Hong Kong continues to reinforce its status as a leading international financial centre through proactive government initiatives, including the promotion of fintech innovation via funding schemes and regulatory sandboxes, the advancement of green and sustainable finance frameworks, and enhanced connectivity with Mainland China under the Greater Bay Area development plan.

The Group is well positioned to capitalise on these favourable trends through its strengthened capital base, strategic international expansion, and ongoing investment in technology and sustainability. The integration of AI and digital finance solutions is expected to enhance operational efficiency and client service, while strategic partnerships and acquisitions will further broaden the Group's market reach and diversify its product offerings. Collectively, these factors underpin the Group's confidence in driving sustainable growth and creating long-term value for shareholders.

Moreover, the Group's existing financial services offerings are expected to perform steadily, supported by ongoing market recovery and increasing client demand for diversified investment and financing solutions. Coupled with its strengthened capital base and enhanced operational capabilities, the Company is well placed to capture growth opportunities in securities brokerage, asset management and money lending. The Group's strategic acquisitions and partnerships will further broaden its service offerings, expand its client network, and enhance its geographical presence across key financial markets. The Group will continue to exercise prudent risk management and remain adaptable to evolving regulatory requirements to safeguard its financial stability.

While near-term challenges remain, the Group's strategic initiatives and commitment to innovation provide a robust foundation for sustainable growth and value creation over the medium to long term.

REPORT OF THE DIRECTORS

Reserves

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 65 and Note 44 to the consolidated financial statements respectively.

Distributable Reserve

As at 31 March 2025, the Company's reserve available for distribution, calculated in accordance with the Companies Law of the Cayman Islands, amounted to HK\$585,493,000 (FY2024: HK\$162,702,000). This includes the Company's accumulated losses and share premium account in the amount of HK\$2,414,975,000 (FY2024: HK\$2,289,632,000) and HK\$3,000,468,000 (FY2024: HK\$2,452,334,000) respectively which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group during the year are set out in Note 16 to the consolidated financial statements.

Share Capital and Share Award Scheme

Details of the Company's share capital and share award movements during the year are set out in Notes 34 and 37 to the consolidated financial statements respectively.

Pre-emptive Rights

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

Purchase, Redemption or Sale of Listed Securities of the Company or Sale of Treasury Shares

During the year ended 31 March 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)).

Major Customers and Suppliers

The percentages of purchases and sales from continuing operations for the year ended 31 March 2025 attributable to the Group's major suppliers and customers are as follows:

	Approximate % to total revenue for the year ended 31 March 2025
Continuing operations	
Purchases	
– the largest supplier	25.3%
– the five largest suppliers combined	65.7%
Sales	
– the largest customer	15.8%
– the five largest customers combined	56.8%

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

Charitable Contributions

During the year, charitable donation of approximately HK\$2,420,000 was made by the Group (FY2024: HK\$39,000).

REPORT OF THE DIRECTORS

Directors

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

Executive Directors

Mr. Mong Cheuk Wai (*Chairman*)

Ms. Cheung Pui Ki Gloria¹

Mr. Leung Siu Kee²

Independent Non-executive Directors

Ms. Mak Yun Chu

Mr. Hung Wai Che

Mr. Chan Ting Fung

Notes:

1. Ms. Cheung Pui Ki Gloria resigned on 17 June 2025.
2. Mr. Leung Siu Kee was redesignated from independent non-executive director to executive director on 20 November 2024.

Pursuant to article 84(1) of the Company's Articles of Association, Mr. Mong Cheuk Wai and Mr. Chan Ting Fung will retire by rotation at the forthcoming AGM and being eligible, offer themselves for re-election at the AGM.

Directors' Service Contracts

Each of the executive Directors has entered into a service contract with the Company. Each of the independent non-executive Directors has signed an appointment letter with the Company for a period of three years. The term of office of all Directors is subject to (i) the termination pursuant to the terms of their respective service contract or appointment letter and (ii) the rotation, removal, vacation or termination of their offices as Directors or the disqualification to act as Directors as set out in the Company's Articles of Association, the applicable laws and the Listing Rules.

No Directors proposed for re-election at the forthcoming AGM has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Independence Confirmation

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and hence are independent.

Emoluments of Directors and Five Highest Paid Individuals

Details of the emoluments of the Directors and the five highest paid individuals of the Group during the year are set out in Note 12 to the consolidated financial statements.

Pension Schemes

Particulars of the Group's pension schemes are set out in Note 38 to the consolidated financial statements.

Management Contracts

As at 31 March 2025, the Company did not enter into or have any management and administration contracts in respect of the whole or any substantial part of any business of the Company.

Emolument Policy

In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis.

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement.

Directors' Interests in Transactions, Arrangements and Contracts

No transactions, arrangements and contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party, and in which a Director or his/her associates had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 March 2025.

Directors' Interests in Competing Business

As far as the Directors are aware of, none of the Directors or the controlling shareholders of the Company has any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group during the year ended 31 March 2025.

Connected Transactions

During the year ended 31 March 2025, the Group had the following continuing connected transaction which was disclosed in accordance with the requirements of Chapter 14A of the Listing Rules.

REPORT OF THE DIRECTORS

Continuing Connected Transactions

Reference is referred to the acquisition of membership and events business mentioned in Management Discussion and Analysis Section and the circular of the Company dated 28 February 2022.

Prior to the completion, Energetic Force Investment Limited (“Energetic Force”) (a direct 30%-controlled company of Forbes Venture Investments Limited (“FVI”)) entered into a sub-license agreement (the “Sub-license Agreement”) with FGA (HK) Limited (“FGA HK”) (a wholly-owned subsidiary of the Target Company) in respect of the license of FGA Intellectual Property Rights by Energetic Force to FGA HK, which will grant FGA HK the FGA Intellectual Property Rights for the use of the names, trademarks and goodwill associated with the FGA Intellectual Property Rights, including the Trademarks, “Forbes Global Alliance” and “福布斯環球聯盟”, in the PRC (excluding Hong Kong, Macau and Taiwan). Further, pursuant to the Sub-license Agreement, FGA (China) Limited (“FGA Fuhui”) (being a wholly owned subsidiary of the Target Company) will be entitled on an equal basis with FGA HK to exercise all the rights granted to FGA HK under the Sub-license Agreement. In addition to the Sub-license Agreement, it is anticipated that Forbes China Group Members will also enter into certain transactions with the Target Group Companies in relation to (i) co-hosting of events; (ii) provision of various types of services; and (iii) advertising arrangements and these transactions would constitute continuing connected transactions upon Completion. On this premise, the Target Company and Forbes Media HK entered into three framework agreements, namely the Event Co-Hosting Framework Agreement, the Services Framework Agreement and the Advertising Framework Agreement (the “Framework Agreements”). Upon Completion, the Target Company will be owned as to 70% by the Company and 30% by FVI, and hence become a subsidiary of the Company. FVI will be a substantial shareholder of the Target Company and hence a connected person of the Company. Energetic Force, being a direct 30%-controlled company of FVI, will be an associate of FVI and hence also a connected person of the Company. Accordingly, the transactions contemplated under the Sub-license Agreement to be entered into between Energetic Force and FGA HK will constitute a continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Similarly, upon Completion, Forbes Media Hong Kong Limited (“Forbes Media HK”), being an indirect 30%-controlled company of FVI, will also be an associate of FVI and hence a connected person of the Company. Accordingly, the transactions contemplated under the Framework Agreements to be entered into between the Target Company and Forbes Media HK will also constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As applicable percentage ratios as set out in Rule 14.07 of the Listing Rules for the proposed annual caps in relation to the possible continuing connected transactions under the Sub-license Agreement and the Framework Agreements that are expected to be higher than 5%, the Sub-license Agreement, the Framework Agreements and the proposed annual caps in relation thereto are subject to the reporting, announcement, annual review and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

An extraordinary general meeting was convened on 28 February 2022 and all the proposed continuing connected transactions were approved by the independent shareholders of the Company.

REPORT OF THE DIRECTORS

The following table sets forth the proposed annual caps for the continuing connected transactions under (1) the Sub-license Agreement; (2) the Event Co-hosting Framework Agreement; (3) the Services Framework Agreement; and (4) the Advertising Framework Agreement for FY2025 and financial year 2026 ("FY2026") and the actual amount utilised for FY2025.

			Actual transacted amount in		
Transaction	Basis of determination	FY2025 RMB'000	FY2025 RMB'000	FY2026 RMB'000	
Expenditure of the Target Group					
(1)	Sub-License Fee	Revenue of the Networking Group of the Target Group	13,640	109	15,004
(2)	FC Event Co-Hosting Fee	Gross profit of co-hosted Non-Forbes Events	2,420	–	2,662
(3)	Service Fees	Services provided by Forbes China Group Members to the members of the Target Group	7,097	–	7,452
(4)	Advertising Fee	Number of advertisement spaces purchased by the Target Group	1,815	–	1,997
Total		24,972	109	27,115	
Income of the Target Group					
(1)	FGA Event Co-Hosting Fee	Gross profit of co-hosted Forbes Events	18,634	–	20,498
(2)	Advertisement Referral Fee	Number of advertisement referred by the Target Group to Forbes China Group Members	1,815	–	1,997
Total		20,449	–	22,495	

REPORT OF THE DIRECTORS

The independent non-executive directors of the Company have reviewed the above continuing connected transactions and confirmed that all the transactions have been entered into:

- (1) in the ordinary and usual course of business of the listed issuer's group;
- (2) on normal commercial terms or better; and
- (3) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

However, subsequently on 21 June 2024, the Company received a termination notice from Energetic Force that the Sub-licensing Agreement be revoked. Accordingly, the continuing connected transaction in FY2025 and FY2026 will not take place. For details, please refer to the announcement of the Company dated 21 June 2024.

Moreover, the Company's auditor has provided an unqualified letter to the Board containing their findings and conclusions in respect of the continuing connected transactions taken place during the year ended 31 March 2025 in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter will be provided by the Company to the Stock Exchange.

Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures

As at 31 March 2025, none of the Directors or the chief executive of the Company had interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO")) which (i) 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 and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept under section 352 of the SFO; or (iii) had to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

Substantial Shareholders

As at 31 March 2025, the Directors were not aware of any persons who had interests or short positions in the shares or underlying shares of the Company which were recorded in the register of interests required to be kept by the Company under section 336 of the SFO.

Directors' Rights to Acquire Shares or Debentures

Other than as disclosed under the sections "Share Option Schemes" and "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares or Debentures" above, at no time during the year ended 31 March 2025 was the Company or any of its subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO, or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate granted to any Director or his/her spouse or children under 18 years or age, or were any such rights exercised by them.

Share Option Scheme

The Company did not maintain any share option scheme during the year ended 31 March 2025.

Share Award Scheme

On 14 September 2018 (the "Adoption Date"), the Company has entered into a trust deed (the "Trust Deed") with Core Pacific-Yamaichi International (H.K.) Nominees Limited (the "Trustee") to set up a trust for the share award scheme (the "Scheme") and the Trustee will exercise its powers to purchase Shares to be held upon the Trust pursuant to the rules relating to the Scheme Rules and the Trust Deed. To the best of knowledge of the Directors, information and belief, after having made all reasonable enquiries, the Trustee and its ultimate beneficial owners are independent third parties of the Company and its connected persons under the definitions of Chapter 14 of the Listing Rules.

As the Company did not expect to grant any awards under the Share Award Scheme prior to its expiry on 13 September 2028 and in order to reduce administrative cost and improve the cash flow position of the Company, the Share Award Scheme was terminated subsequently on 30 April 2024. The Trustee sold all the 59,620,000 Awarded Shares to the market and a net proceed of approximately HK\$5.2 million returned to the Company. For details, please refer to the announcement of the Company dated 30 April 2024.

Related Party Transactions

During the year ended 31 March 2025, the Group entered into certain related party transactions, details of which are set out in Note 39 to the consolidated financial statements of the Group. None of these transactions constitute a discloseable connected transactions or continuing connected transactions in accordance with the Listing Rules except for those disclosed in the section headed "Connected Transactions" in this report.

REPORT OF THE DIRECTORS

Corporate Governance

The major corporate governance practices as adopted by the Company are set out in the Corporate Governance Report section set out on pages 22 to 42.

The Company has received the said written confirmation for the year ended 31 March 2025 from each controlling shareholder and the Directors are of the view that the controlling shareholders have been in compliance with the Non-Competition Undertaking for the year under review.

Permitted Indemnity Provision

Save for the directors and officers liability insurance maintained by the Company in respect of relevant legal actions against the Directors, at no time during the year ended 31 March 2025 and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Directors (whether made by the Company or otherwise).

Events after the Reporting Period

Save as disclosed, there are no significant events taken place after 31 March 2025 and up to the date of this report.

Sufficiency of Public Float

Throughout the year ended 31 March 2025 and as at the date of this annual report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained a sufficient prescribed public float of more than 25% of the Company's issued shares as required under the Listing Rules.

Environmental Policies and Compliance with Relevant Laws and Regulations

The Group's Environmental, Social and Governance Report will be published on the respective websites of the Stock Exchange and the Company on 30 July 2025. No material impact of the relevant laws and regulations in relation to environment is identified on business operations.

Review of Annual Results by Audit Committee

The Company has established the Audit Committee which, since 20 November 2024, comprises all three independent non-executive Directors. During FY2025 and up to 20 November 2024, the members were Ms. Mak Yun Chu, Mr. Hung Wai Che, Mr. Leung Siu Kee and Mr. Chan Ting Fung, with Ms. Mak Yun Chu being the chairperson of the committee. On 20 November 2024, Mr. Leung Siu Kee retired as a member of the Audit Committee. The Group's annual results for the year ended 31 March 2025 have been reviewed by the Audit Committee. The Audit Committee is of opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

Auditor

On 20 August 2024, the Company was notified by Elite Partners CPA Limited ("Elite Partners") that, after considering factors including their available internal resources, it decided not to offer itself for re-appointment as the auditor of the Company.

The Company has received the confirmation from Elite Partners that there are no matters in relation to its retirement that needs to be brought to the attention of Shareholders. The Board and the audit committee of the Company have also confirmed that there is no disagreement between Elite Partners and the Company, and there are no other matters in respect of the retirement of Elite Partners that need to be brought to the attention of the Shareholders.

On 22 January 2025, an extraordinary general meeting was held and the appointment of McMillan Woods (Hong Kong) CPA Limited ("McMillan Woods") as the Company's auditor was approved and the Board was authorised to fix its remuneration by the Shareholders. The consolidated financial statements of the Group for the year ended 31 March 2025 have been audited by McMillan Woods.

On behalf of the Board

Kingkey Financial International (Holdings) Limited

Mong Cheuk Wai

Chairman

26 June 2025

INDEPENDENT AUDITOR'S REPORT



McMillanWoods
Professionalism at the forefront

TO THE SHAREHOLDERS OF KINGKEY FINANCIAL INTERNATIONAL (HOLDINGS) LIMITED

京基金融國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Kingkey Financial International (Holdings) Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 61 to 181, which comprise the consolidated statement of financial position as at 31 March 2025, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 (the “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.

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matter (Continued)

The key audit matter we identified is impairment assessment of trade receivables and loan receivables:

Key audit matter

How the matter was addressed in our audit

Impairment assessment of trade receivables and loan receivables

As at 31 March 2025, the Group had trade receivables of HK\$112,653,000, net of provision for impairment of HK\$135,166,000, and loan receivables of HK\$424,781,000, net of provision for impairment of HK\$68,302,000.

Assessing impairment of trade receivables and loan receivables is a subjective area as it requires application of significant judgement and uses of estimates. 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 forward-looking analysis. Judgement is applied in assessing customers that may default and identifying evidence of impairment which include assessment on creditworthiness of customers, their historical repayment records, the length of the overdue period, the financial strength of debtors and the loan-to-collateral ratio, that is the percentage of outstanding receivables balance to collateral value. Estimates are used in assessing the recoverable amount of the collateral.

We have identified impairment assessment of trade receivables and loan receivables as a key audit matter because significant management judgement and estimates were used to assess the provision for impairment of trade receivables and loan receivables and the amounts of them were significant.

Our major audit procedures relating to the impairment assessment of trade receivables and loan receivables included the followings:

- We understood the controls over the impairment assessment of trade receivables and loan receivables, which related to the management's identification of events that might trigger the significant increase in credit risk (the "SICR") of the receivables and events of default.
- We tested the appropriateness of the Group's determination of the SICR and the basis of classification of exposures into the 3 stages as required by HKFRS 9. Our testing include the checking to clients' creditworthiness, historical payment records, the length of the overdue period, the financial strength of debtors, loan-to-collateral value and other factors determining the stage classification as determined by the Group.
- We assessed, on a sample basis, the recoverability of the outstanding receivables through our discussion with the management and with reference to credit profiles of the customers, available data, information and the latest correspondence with customers and checked subsequent settlements.
- We assessed the reasonableness of the Group's criteria for assessing if there has been SICR and so provision for impairment for the receivables should be measured on a life-time expected credit losses (the "ECL") basis and the qualitative assessment.
- We re-performed the management's calculation of provision for impairment under the ECL model.
- We verified the balances of trade receivables and loan receivables by requesting direct confirmations on a sample basis.

INDEPENDENT AUDITOR'S REPORT

Other Matter

The consolidated financial statements of the Group for the year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 28 June 2024.

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 Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company;
- Conclude on the appropriateness of the Company's 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; and
- 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 consolidated 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.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

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

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

From the matters communicated with the audit committee, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter 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.

McMillian Woods (Hong Kong) CPA Limited

Certified Public Accountants

Wong Ka Bo, Jimmy

Audit Engagement Director

Practicing Certificate Number: P07560

24/F., Siu On Centre
188 Lockhart Road
Wan Chai, 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 (re-presented)
Continuing operations			
Revenue	5	228,261	303,271
Cost of sales		(154,678)	(235,236)
Gross profit		73,583	68,035
Other income	7	11,318	27,108
Other gains and losses, net	8	(2,853)	16,015
Fair value change in contingent consideration payables		–	122,220
Gain on disposal of subsidiaries		55	–
Impairment loss on goodwill	18	(7,452)	–
Loss on deemed disposal of an associate	20	–	(572)
Provision for impairment of loan receivables, net	25	(26,843)	(35,932)
Provision for impairment of trade receivables, net	24	(24,172)	(78,288)
Provision for impairment of other receivables and deposits, net	24	(5,192)	(585)
Administrative expenses		(113,033)	(129,988)
Finance costs	9	(7,288)	(11,106)
Share of result of an associate	20	(13,582)	5,163
Loss before tax	10	(115,459)	(17,930)
Income tax (expense)/credit	13	(3,366)	6,526
Loss for the year from continuing operations		(118,825)	(11,404)
Discontinued operations			
Loss for the year from discontinued operations	11	(4,626)	(676,016)
Loss for the year		(123,451)	(687,420)
Other comprehensive (expense)/income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of foreign operation		314	(483)
Item that will not be reclassified subsequently to profit or loss:			
Fair value changes of financial assets at fair value through other comprehensive income		(52,652)	19,002
Other comprehensive (expense)/income for the year, net of tax		(52,338)	18,519
Total comprehensive expense for the year		(175,789)	(668,901)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000 (re-presented)
Loss for the year attributable to owners of the Company			
– From continuing operations		(114,967)	(8,322)
– From discontinued operations		(1,972)	(542,930)
		(116,939)	(551,252)
Loss for the year attributable to non-controlling interests			
– From continuing operations		(3,858)	(3,082)
– From discontinued operations		(2,654)	(133,086)
		(6,512)	(136,168)
Total comprehensive expense for the year attributable to:			
Owners of the Company		(169,418)	(532,391)
Non-controlling interests		(6,371)	(136,510)
		(175,789)	(668,901)
Loss per share	15		(Restated)
Basic and diluted			
– From continuing and discontinued operations		(10.42) HK Cents	(76.05) HK Cents
– From continuing operations		(10.24) HK Cents	(1.15) HK Cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	16	7,944	8,974
Right-of-use assets	17	2,896	6,095
Goodwill	18	–	7,452
Intangible assets	19	6,735	12,070
Interest in an associate	20	–	13,582
Financial assets at fair value through profit or loss	21	183,238	150,557
Financial assets at fair value through other comprehensive income	22	38,542	22,729
Deposits	24	1,340	1,924
		240,695	223,383
Current assets			
Financial assets at fair value through profit or loss	21	75	25
Inventories	23	–	26,979
Trade and other receivables, prepayments and deposits	24	209,742	131,969
Loan receivables	25	424,781	167,304
Amounts due from related companies	39	6	3,052
Tax recoverable		514	1,170
Bank balances held on behalf of clients	26	158,500	194,167
Bank balances and cash	27	151,026	118,552
		944,644	643,218
Current liabilities			
Trade and other payables	28	202,831	278,628
Tax payables		9,516	6,100
Other borrowings	29	24,500	38,329
Lease liabilities	30	3,529	5,460
Amount due to a related company	39	–	294
Amount due to a former director	31	34	34
Amount due to a shareholder	31	16,625	16,625
Corporate bonds	32	36,617	75,982
		293,652	421,452
Net current assets		650,992	221,766
Total assets less current liabilities		891,687	445,149

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Lease liabilities	30	554	2,981
Corporate bonds	32	11,000	36,817
Deferred tax liabilities	33	214	336
		11,768	40,134
Net assets		879,919	405,015
Capital and reserves			
Share capital	34	173,680	76,300
Reserves		713,692	329,797
Equity attributable to owners of the Company		887,372	406,097
Non-controlling interests		(7,453)	(1,082)
Total equity		879,919	405,015

The consolidated financial statements on pages 61 to 181 were approved and authorised for issue by the Board of Directors on 26 June 2025 and are signed on its behalf by:

LEUNG SIU KEE
DIRECTOR

MONG CHEUK WAI
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Attributable to the owners of the Company								Attributable to non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Merger reserve HK\$'000	Shares held for Share Award Scheme HK\$'000	Investments revaluation reserve HK\$'000	Translations reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000		
At 1 April 2024	71,773	1,759,754	(7,122)	(53,845)	(8,225)	(21,217)	(1,998)	(1,498,583)	240,537	373,838
Loss for the year	-	-	-	-	-	-	-	(551,252)	(551,252)	(687,420)
Other comprehensive expense for the year										
Exchange difference on translation of financial statements of overseas operation	-	-	-	-	-	(141)	-	-	(141)	(483)
Fair value changes of financial assets at fair value through other comprehensive income	-	-	-	-	19,002	-	-	-	19,002	19,002
Total comprehensive expense for the year	-	-	-	-	19,002	(141)	-	(551,252)	(532,391)	(668,901)
Issues of consideration shares (note 34)	4,527	692,580	-	-	-	-	-	-	697,107	697,107
Capital injection by non-controlling interests	-	-	-	-	-	-	-	-	1,311	1,311
Disposal of partial interest in a subsidiary without losing control (note 43)	-	-	-	-	-	-	844	-	844	1,660
At 31 March 2024 and 1 April 2024	76,300	2,452,334	(7,122)	(53,845)	10,777	(21,358)	(1,154)	(2,049,835)	406,097	405,015
Loss for the year	-	-	-	-	-	-	-	(116,939)	(116,939)	(123,451)
Other comprehensive expense for the year										
Exchange difference on translation of financial statements of overseas operation	-	-	-	-	-	173	-	-	173	314
Fair value changes of financial assets at fair value through other comprehensive income	-	-	-	-	(52,652)	-	-	-	(52,652)	(52,652)
Total comprehensive expense for the year	-	-	-	-	(52,652)	173	-	(116,939)	(169,418)	(175,789)
Issues of consideration shares (note 34)	9,379	59,086	-	-	-	-	-	-	68,465	68,465
Issue of shares under placing (note 34)	33,572	130,401	-	-	-	-	-	-	163,973	163,973
Issue of shares under right issue (note 34)	54,429	358,647	-	-	-	-	-	-	413,076	413,076
Disposal of shares under Share Award Scheme (note 37)	-	-	-	53,845	-	-	-	(48,666)	5,179	5,179
At 31 March 2025	173,680	3,000,468	(7,122)	-	(41,875)	(21,185)	(1,154)	(2,215,440)	887,372	879,919

Note: Other reserve mainly represents the difference between the amount of non-controlling interest adjusted and the fair value of the consideration received/paid on partial disposal/acquisition of subsidiaries without losing control over the subsidiaries.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000 (re-presented)
Operating activities			
Loss before tax			
Continuing operations		(115,459)	(17,930)
Discontinued operations		(4,626)	(806,063)
Adjustments for:			
Amortisation of intangible assets	19	3,940	97,936
Depreciation of right-of-use assets	17	2,908	3,708
Depreciation of property, plant and equipment	16	339	1,067
Fair value change in financial assets at fair value through profit or loss	8	(7,859)	(19,482)
Fair value change in contingent consideration payables		–	(122,220)
Gain on disposal of financial assets at fair value through profit or loss	8	–	(76)
Gain on disposal of intangible assets	8	(774)	–
Gain on disposal of subsidiaries		(91)	–
Loss on deemed disposal of an associate	20	–	572
Loss on disposal of loan receivables	8	7,380	–
Interest income	7	(6,642)	(4,889)
Interest expenses		7,373	11,330
Write down of inventories	10	7,445	728
Impairment loss on goodwill	18	7,452	228,298
Impairment loss on intangible assets	19	–	491,597
Impairment loss on property, plant and equipment	8	3,167	2,058
Impairment loss on right-of-use assets	17	–	1,997
Provision for impairment of trade receivables, net	24	20,960	85,318
Provision for impairment of loan receivables, net	25	26,843	35,932
Provision for impairment of other receivables and deposits, net	24	5,215	585
Written-off of other receivables	10	612	–
Share of result of an associate	20	13,582	(5,163)
Operating cash flows before movements in working capital		(28,235)	(14,697)
Decrease in inventories		19,403	18,196
(Increase) decrease in trade and other receivables, prepayments and deposits		(101,302)	148,538
Decrease in pledged bank deposits		–	35,000
Increase in loan receivables		(291,700)	(116,329)
Decrease (increase) in bank balances held on behalf of clients		35,667	(41,193)
(Decrease) increase in trade and other payables		(71,841)	40,574
Decrease in amounts due from related companies		–	125
Increase in amount due to a related company		–	244
Disposal of shares under Share Award Scheme		5,179	–
Cash (used in) generated from operating activities		(432,829)	70,458
Interest paid		(1)	(2)
Hong Kong Profits Tax refunded, net		208	103
Net cash (used in) generated from operating activities		(432,622)	70,559

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000 (re-presented)
Investing activities			
Interest received	7	6,642	4,889
Acquisition of financial assets at fair value through other comprehensive income		(24,872)	(1,952)
Net cash outflow from disposal of subsidiaries	36	(501)	–
Proceeds from disposal of financial assets at fair value through profit or loss		–	122
Proceeds from disposal of intangible assets		2,130	–
Purchase of intangible assets	19	–	(21,500)
Purchase of property, plant and equipment	16	(2,545)	(24)
Net cash used in investing activities		(19,146)	(18,465)
Financing activities			
Addition of corporate bonds	45	47,000	70,200
Repayment of corporate bonds	45	(112,182)	(65,434)
Capital injection from non-controlling interests		–	1,311
Proceeds on disposal of partial interest in a subsidiary without losing control		–	1,660
New other borrowings	45	59,803	106,111
Repayments of other borrowings	45	(73,632)	(154,341)
Capital element of lease rentals paid	45	(3,841)	(3,797)
Interest element of lease rentals paid	45	(275)	(339)
Increase in amount due to a shareholder	45	–	10,125
Decrease in amount due to a former director	45	–	(943)
Proceeds of issue of shares under placing		163,973	–
Proceeds of issue of shares under right issue		413,076	–
Interest paid	45	(10,342)	(9,007)
Net cash generated from (used in) financing activities		483,580	(44,454)
Net increase in cash and cash equivalents		31,812	7,640
Cash and cash equivalents at beginning of the year		118,552	111,051
Effect of foreign exchange rate changes, net		662	(139)
Cash and cash equivalents at the end of the year		151,026	118,552
Cash and cash equivalents represented by			
Bank balances and cash		151,026	118,552

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

1. General

Kingkey Financial International (Holdings) Limited (the “Company”) is a public limited company incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 20 March 2015.

The address of the registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at 902, Harbour Centre, Tower 2, 8 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are provision of securities brokerage, insurance brokerage, assets management services and money lending services in Hong Kong, fur skin brokerage and sale of pelted skin in Denmark, network and licensing business and insurance technology business in the People’s Republic of China (the “PRC”).

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. In addition, the functional currencies of group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

During the year ended 31 March 2025, the Group (i) disposed of Kingkey Capital Limited and (ii) the sub-license agreement in respect of membership and event hosting business has been terminated. As a result, the financial results of the trading segment and the membership and event segment are treated as discontinued operations, in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. Details of which are set out in Note 11 to the consolidated financial statements. Certain comparatives on the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and related notes to the consolidated financial statements have been re-presented so as to reflect the results for the continuing operations and discontinued operations as if the trading segment and the membership and event segment had been discontinued from the beginning of the comparative year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. Application of New and Amendments to HKFRS Accounting Standards

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 Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2024 for the preparation of the consolidated financial statements:

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 HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

Except for as described below, the application of amendments to HKFRS Accounting Standards in the current year had no material impact on the Group’s consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (collectively the “HKAS 1 Amendments”)

The Group has applied the amendments for the first time in the current year.

The HKAS 1 Amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that the classification should not be affected by management intentions or expectations to settle the liability within 12 months.
- clarify that the settlement of a liability can be a transfer of cash, goods or services, or the entity’s own equity instruments to the counterparty. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 “Financial Instruments: Presentation”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. Application of New and Amendments to HKFRS Accounting Standards

(Continued)

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year *(Continued)*

Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current” and Amendments to HKAS 1 “Non-current Liabilities with Covenants” (collectively the “HKAS 1 Amendments”)

(Continued)

For rights to defer settlement for at least twelve months from reporting date which are conditional on the compliance with covenants, the HKAS 1 Amendments specifically clarify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity’s right to defer settlement of a liability for at least twelve months after the reporting date, even if compliance with the covenant is assessed only after the reporting date. The HKAS 1 Amendments also specify that covenants with which an entity must comply after the reporting date (i.e. future covenants) do not affect the classification of a liability as current or non-current at the reporting date. However, if the entity’s right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants, the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

In accordance with the transitional provision, the Group has applied the new accounting policy to the classification of liability as current or non-current retrospectively.

The application of the amendments in the current year had no material impact on the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

2. Application of New and Amendments to HKFRS Accounting Standards

(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 HKAS 21	Lack of Exchangeability ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³

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

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ Effective date to be determined

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

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 Standards, 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 “Accounting Policies, Changes in Accounting Estimates and Errors” and HKFRS 7 “Financial Instruments: Disclosures”. 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 consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA. 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 (“CO”).

Basis of preparation of consolidated financial statements

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.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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.

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.

Interests in subsidiaries

Interests in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Interests in associates

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an interest in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net interest in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An interest in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the interest in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" ("HKAS 36") as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKFRS 9 "Financial Instruments" ("HKFRS 9"), the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

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 unit ("CGU") (or group of CGUs) 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 CGU (or group of CGUs) 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 CGU (or group of CGUs) 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 CGUs). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU or any of the CGU within the group of CGUs, 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 CGU (or a CGU within a group of CGUs), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the CGU) disposed of and the portion of the CGU (or the group of CGUs) retained.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Revenue from contracts with customers *(Continued)*

- 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.

Description of the Group's performance obligation of main source of income under the scope of HKFRS 15 "Revenue from Contracts with Customers ("HKFRS 15") are as follows:

Brokerage commission from dealing in securities

Commission income from securities brokerage, net of commission income waived for certain customers, is recognised on a trade date basis at a point in time when the relevant transactions are executed in accordance with the agreed terms of the account opening agreements. The corresponding brokerage commission will be settled once the underlying securities transactions completed.

Brokerage commission from fur skin business

Commission income from the provision of fur skin brokerage services should be recognised at a point in time when the service is rendered to the customer.

Underwriting, sub-underwriting, placing and sub-placing commission

Commission income from underwriting and placing services are recognised at a point in time in accordance with the agreed terms of the relevant underwriting and placing agreements or deal mandate when the relevant significant acts have been completed.

Interest income from clients

Interest income from clients, net of interest income waived for certain customers, is recognised on a time proportion basis, by reference to the principal amounts outstanding and the effective interest rates applicable.

Fund management services and assets management services income

Service income from the provision of fund management services and assets management services are recognised over time as customers simultaneously receive and consume benefits when the Company performs the management services.

Agency fee from trading

Agency fee from trading is recognised at a point in time when the control of products is transferred to the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Revenue from contracts with customers *(Continued)*

Insurance brokerage services

Commission income from the provision of insurance brokerage services are recognised at a point in time when the relevant transactions have been arranged or the relevant services have been rendered.

Interest income from financial assets

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

Sales of fur

Revenue is recognised when fur is delivered which are taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership is transferred to the customer. Revenue is recognised from excluding value added tax or other sales taxes and is after deduction of any trade discounts.

Membership business income

Revenue from membership business income is recognised over the membership period.

Event business income

Revenue from event business income is recognised at a point in time when the event is held.

Insurance technology service income

Revenue from insurance technology service income is recognised at a point in time when the relevant services have been rendered.

Network and licensing business income

Revenue from network and licensing business income as respected the sale of entertainment content and products which is recognised at a point in time on a transfer of respective rights in accordance with the respective agreement and on delivery of the content concerned.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Leasing

The Group assesses at contract inception whether a contract is, or contains, 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.

The Group as lessee

(a) 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.

(b) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of plant and equipment and premises 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.

(c) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Leasing *(Continued)*

The Group as lessee *(Continued)*

(c) Right-of-use assets *(Continued)*

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.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

(d) 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Leasing *(Continued)*

The Group as lessee *(Continued)*

(d) Lease liabilities *(Continued)*

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/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

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.

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.

Rental income is presented under “other income” in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

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 at 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, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) 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 dates 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Borrowing costs

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

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 grant will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purposes 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. Government grants are presented under “other income” in profit or loss.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit scheme are recognised as an expense when employees have rendered services entitling them to the contribution.

Short-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 Standards 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Share-based payment arrangements

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-based payment 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-based payment 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-based payments 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-based payment reserve will be transferred to accumulated losses.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "loss before taxation" 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Taxation *(Continued)*

Deferred tax

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.

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 amounts of its assets and liabilities.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Taxation *(Continued)*

Current and deferred tax for the year

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.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

Property, plant and equipment

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.

Freehold lands are not depreciated and are measured at cost less subsequent accumulated impairment losses, if any.

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Property, plant and equipment *(Continued)*

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position except for those that are classified and accounted for as investment properties under the fair value model. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

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

Mink farm buildings	2–5%
Leasehold improvements	Shorter of 20% or lease term
Plant and machinery	5–20%
Office equipment	20%–33%
Motor vehicle	20%
Freehold land	0%

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives 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.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual CGU, when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be established.

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) 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 CGU, the Group compares the carrying amount of a group of CGU, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGU, with the recoverable amount of the group of CGU. 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 CGU. 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 CGU. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU or a group of CGUs) 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 CGU or a group of CGUs) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Financial instruments

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

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.

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.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets *(Continued)*

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 “Business Combinations” applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a 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 that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

(i) 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 FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets *(Continued)*

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments/partnership interests, and will be reclassified directly to accumulated losses.

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

(iii) Financial assets as at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade and other receivables (excluding prepayments and other items which were not financial instruments), deposits, loan receivables, amounts due from related companies, bank balances held on behalf of clients and bank balances) which are subject to impairment 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 that result from transactions within the scope of HKFRS 15 and the ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with debtors having similar credit ratings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when 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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)*

(i) Significant increase in credit risk (Continued)

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in 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; and
- 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 365 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)*

(i) Significant increase in credit risk (Continued)

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.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 365 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default 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:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- 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;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)*

(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, 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.

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.

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(Continued)*

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by the 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.

Except for financial assets at FVTOCI, 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 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.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments

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.

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 either held for trading or it is designated as at FVTPL.

A financial liability is held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term;
- 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 that is not designated and effective as a hedging instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Financial liabilities *(Continued)*

Financial liabilities at FVTPL (Continued)

A financial liability other than a financial liability held for trading 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;
- 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 change 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, 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 investment revaluation reserve upon derecognition of the financial liability.

Financial liabilities at amortised cost

Other financial liabilities (including trade and other payables, amount due to a related company/a former director/a shareholder, other borrowings and corporate bonds) are subsequently measured at amortised cost, using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

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.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10%.

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.

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.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, bank deposits having been within three months of maturity at acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

Where an operation is classified as discontinued operation the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

Related parties

A party is considered to be related to the Group if:

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 1. has control or joint control over the Group;
 2. has significant influence over the Group; or
 3. is a member of the key management personnel of the Group or the Group's parent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

3. Material Accounting Policy Information *(Continued)*

Related parties *(Continued)*

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

1. the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
2. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
3. both entities are joint ventures of the same third party;
4. one entity is a joint venture of a third party and the other entity is an associate of the same third party or vice versa;
5. the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
6. the entity is controlled or jointly-controlled by a person identified in (i);
7. a person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
8. the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependants of that person or that person's spouse or domestic partner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 and future period, if the revision affects both current and future periods.

Key sources of estimation uncertainty

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

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGU to which goodwill has been allocated. The value in use calculation requires the management of the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill as at 31 March 2025 was Nil (2024: HK\$7,452,000), impairment loss HK\$7,452,000 (2024: HK\$228,298,000) was recognised in the consolidated statement of profit or loss during the year ended 31 March 2025. Details of the recoverable amount calculation are set out in Note 18 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty *(Continued)*

Key sources of estimation uncertainty *(Continued)*

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

The Group assesses at the end of the reporting period whether property, plant and equipment and right-of-use assets have any indication of impairment in accordance with the accounting policy. The recoverable amount of property, plant and equipment and right-of-use assets is determined based on the value in use calculation. This calculation requires the use of judgement and estimates. Details of the property, plant and equipment and right-of-use assets are disclosed in Note 16 and 17 respectively to the consolidated financial statements.

As at 31 March 2025, the carrying amount of property, plant and equipment was HK\$7,944,000 (2024: HK\$8,974,000) and right-of-use assets was HK\$2,896,000 (2024: HK\$6,095,000) respectively. Impairment losses of HK\$3,167,000 (2024: HK\$2,058,000) and Nil (2024: HK\$1,997,000) in respect of property, plant and equipment and right-of-use assets respectively have been recognised for the year ended 31 March 2025.

Fair value of other financial instruments

As at 31 March 2025, certain of the Group's financial assets (including financial assets at FVTPL and financial assets at FVTOCI) are measured at fair value using valuation techniques. Judgement 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. Details of the fair value measurement are disclosed in Note 41 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Provision of ECL on trade receivables

The Group continuously monitors collections and payments from its customers and maintains a provision for estimated credit losses based upon its historical experience. Credit losses have historically been within the Group's expectations and the Group will continue to monitor the collections from customers and maintain an appropriate level of estimated credit losses.

In assessing the ECL, the Group performs the assessment based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors or borrowers, general economic conditions and both the current conditions at the reporting date as well as the forecast of future conditions with significant judgments involved. The management uses estimates based on creditworthiness of customers, historical payment records, the length of the overdue period, the financial strength of the debtors, loan-to-collateral value and any other qualitative factors in determining the impairment. The methodology and assumptions for estimating the amount is reviewed regularly to reduce material differences between loss estimates and actual loss experience. As at 31 March 2025, the carrying amount of trade receivables is HK\$112,653,000 (2024: HK\$87,392,000). The Group have recognised a provision for the net impairment loss of HK\$20,960,000 (2024: HK\$85,318,000) during the year. Details of the key factors used in ECL assessment are disclosed in Note 41 to the consolidated financial statements.

Provision of ECL on loan receivables

The Group reviews its loan portfolios to assess impairment periodically. In determining whether an impairment loss should be recorded in the profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group (e.g. payment delinquency or default), or local economic conditions that correlate with defaults on assets in the Group. The management uses estimates based on creditworthiness of customers, historical payment records, the length of the overdue period, the financial strength of the debtors, loan-to-collateral value and any other qualitative factors. The methodology and assumptions used for estimating the amount is reviewed regularly to reduce any differences between loss estimate and actual loss experience and are disclosed in Note 41 to the consolidated financial statements.

As at 31 March 2025, the carrying amount of loan receivables is HK\$424,781,000 (2024: HK\$167,304,000). Impairment loss of HK\$26,843,000 (2024: HK\$35,932,000) was recognised during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

5. Revenue

During the year, the Group's revenue representing the amount received and receivable from its operating businesses, net of discount, are as follows:

	2025 HK\$'000	2024 HK\$'000 (re-presented)
Continuing operations		
Revenue from contracts with customers within the scope of HKFRS 15		
Insurance brokerage services income	76,587	89,697
Commission income from		
– securities brokerage	3,243	3,212
– underwriting, sub-underwriting, placing and sub-placing	5,164	299
Brokerage of fur skin	2	91
Sale of pelted skin	14,890	33,141
Fund management services income	1,418	2,219
Assets management services income	2,963	11,964
Insurance technology service income	64,713	68,776
Network and licensing business income	7,650	51,935
Revenue from other sources		
Interest income from margin financing services	15,185	24,403
Interest income from money lending services	36,446	17,534
	228,261	303,271

Note: Commission and services income from insurance brokerage, securities brokerage, underwriting, sub-underwriting, placing and sub-placing, insurance technology, network and licensing business and brokerage of fur skin and sale of pelted skin are recognised at point in time. Service income from fund management and asset management are recognised over time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. Segment Information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 March 2025, the Group disposed of Kingkey Capital Limited and as a result, the trading segment was treated as discontinued operation.

As the sub-license agreement has been terminated on 30 June 2024, the membership and event segment was treated as discontinued operation.

Details of discontinued operations are disclosed in Note 11 to the consolidated financial statements.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Securities	–	Provision of securities brokerage, margin financing, underwriting, sub-underwriting, placing, sub-placing and consultancy services
Insurance brokerage	–	Provision of insurance brokerage services
Fur	–	Sale of pelted skin and fur skin brokerage
Assets management	–	Provision and arrangement of fund management services and assets management services
Money lending	–	Provision and arrangement of money lending services
Membership and event	–	Carrying out membership business and event hosting business
Insurance technology	–	Development and operations of intelligent digital sales platforms and information technology services related to insurance business
Network and licensing	–	Provision of multi-channel network and licensing service
Trading	–	Provision of agency service related to trading

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. Segment Information (Continued)

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

For the year ended 31 March 2025

	Continuing operations							Discontinued operations			Total HK\$'000
	Securities HK\$'000	Insurance brokerage HK\$'000	Fur HK\$'000	Assets management HK\$'000	Money lending HK\$'000	Insurance technology HK\$'000	Network and licensing HK\$'000	Sub-total HK\$'000	Membership and event HK\$'000	Trading HK\$'000	
REVENUE	23,592	76,587	14,892	4,381	36,446	64,713	7,650	228,261	2,065	-	230,326
RESULTS											
Segment operating results	19,454	1,393	(26,667)	858	34,788	(2,391)	(7,666)	19,769	(7,722)	(2)	12,045
Amortisation of intangible assets	-	-	-	-	-	(3,940)	-	(3,940)	-	-	(3,940)
Loss on disposal of loan receivables	-	-	-	-	(7,380)	-	-	(7,380)	-	-	(7,380)
Impairment loss on goodwill	-	-	-	-	-	(7,452)	-	(7,452)	-	-	(7,452)
(Provision for)/reversal of impairment of trade receivables	(10,496)	-	-	-	-	(12)	(13,664)	(24,172)	(1,047)	4,259	(20,960)
Provision for impairment of other receivables and deposits	-	-	(347)	-	-	-	-	(347)	(23)	-	(370)
Provision for impairment of loan receivables	-	-	-	-	(26,843)	-	-	(26,843)	-	-	(26,843)
Segment results	8,958	1,393	(27,014)	858	565	(13,795)	(21,330)	(50,365)	(8,792)	4,257	(54,900)
Other gains and losses, net								4,527	(7)	(35)	4,485
Gain on disposal of subsidiaries								55	-	36	91
Provision for impairment of other receivables and deposits, net								(4,845)	-	-	(4,845)
Finance costs								(7,288)	(48)	(37)	(7,373)
Share of result of an associate								(13,582)	-	-	(13,582)
Unallocated corporate income								1,570	-	-	1,570
Unallocated corporate expenses								(45,531)	-	-	(45,531)
(Loss)/profit before tax								(115,459)	(8,847)	4,221	(120,085)
Income tax expense								(3,366)	-	-	(3,366)
(Loss)/profit for the year								(118,825)	(8,847)	4,221	(123,451)
	Continuing operations							Discontinued operations			Total HK\$'000
	Securities HK\$'000	Insurance brokerage HK\$'000	Fur HK\$'000	Assets management HK\$'000	Money lending HK\$'000	Insurance technology HK\$'000	Network and licensing HK\$'000	Sub-total HK\$'000	Membership and event HK\$'000	Trading HK\$'000	
ASSETS											
Segment assets	265,671	19	5,484	928	424,781	16,029	-	712,912	5,570	-	718,482
Unallocated corporate assets								466,857	-	-	466,857
Total assets								1,179,769	5,570	-	1,185,339
LIABILITIES											
Segment liabilities	158,710	3,665	-	-	1,000	574	5,869	169,818	2,809	-	172,627
Unallocated corporate liabilities								132,793	-	-	132,793
Total liabilities								302,611	2,809	-	305,420

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. Segment Information (Continued)

For the year ended 31 March 2025 (Continued)

Other information

	Continuing operations								Discontinued operations			
	Securities HK\$'000	Insurance brokerage HK\$'000	Fur management HK\$'000	Assets management HK\$'000	Money lending HK\$'000	Insurance technology HK\$'000	Network and licensing HK\$'000	Unallocated HK\$'000	Sub-total HK\$'000	Membership		Total HK\$'000
										and event HK\$'000	Trading HK\$'000	
Additions of property, plant and equipment	2,440	-	-	-	-	12	-	84	2,536	9	-	2,545
Additions of right-of- use assets	-	-	-	-	-	-	-	1,955	1,955	-	-	1,955
Write down of inventories	-	-	-	-	-	-	(7,445)	-	(7,445)	-	-	(7,445)
Impairment loss on goodwill	-	-	-	-	-	(7,452)	-	-	(7,452)	-	-	(7,452)
Impairment loss on property, plant and equipment	-	-	(3,167)	-	-	-	-	-	(3,167)	-	-	(3,167)
(Provision for)/reversal of impairment of trade receivables	(10,496)	-	-	-	-	(12)	(13,664)	-	(24,172)	(1,047)	4,259	(20,960)
Provision for impairment of other receivables and deposits	-	-	(347)	-	-	-	-	(4,845)	(5,192)	(23)	-	(5,215)
Provision for impairment of loan receivables	-	-	-	-	(26,843)	-	-	-	(26,843)	-	-	(26,843)
Amortisation of intangible assets	-	-	-	-	-	(3,940)	-	-	(3,940)	-	-	(3,940)
Loss on write-off of other receivables	-	(289)	-	-	-	-	-	(323)	(612)	-	-	(612)
Depreciation of property, plant and equipment	(132)	(8)	-	(15)	-	(11)	-	(152)	(318)	(21)	-	(339)
Depreciation of right-of-use assets	(458)	(816)	-	-	-	(322)	-	(1,312)	(2,908)	-	-	(2,908)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. Segment Information (Continued)

For the year ended 31 March 2024

	Continuing operations								Discontinued operations		Total HK\$'000
	Securities HK\$'000	Insurance brokerage HK\$'000	Fur HK\$'000	Assets management HK\$'000	Money lending HK\$'000	Insurance technology HK\$'000	Network and licensing HK\$'000	Sub-total HK\$'000	Membership and event HK\$'000	Trading HK\$'000	
REVENUE	27,914	89,697	33,232	14,183	17,534	68,776	51,935	303,271	26,794	352	330,417
RESULTS											
Segment operating results	23,819	(6,344)	(3,209)	6,222	15,641	(973)	902	36,058	16,739	338	53,135
Amortisation of intangible assets	-	-	-	-	-	(3,944)	-	(3,944)	(93,992)	-	(97,936)
Impairment loss on intangible assets	-	-	-	-	-	-	-	-	(491,597)	-	(491,597)
Impairment loss on goodwill	-	-	-	-	-	-	-	-	(228,298)	-	(228,298)
Impairment loss on right-of-use assets	-	-	-	-	-	-	-	-	(1,997)	-	(1,997)
Provision for impairment of trade receivables	(77,918)	-	-	-	-	(81)	(289)	(78,288)	(2,771)	(4,259)	(85,318)
Provision for impairment of other receivables and deposits	-	-	(367)	-	-	-	-	(367)	-	-	(367)
Provision for impairment of loan receivables	-	-	-	-	(35,932)	-	-	(35,932)	-	-	(35,932)
Segment results	(54,099)	(6,344)	(3,576)	6,222	(20,291)	(4,998)	613	(82,473)	(801,916)	(3,921)	(888,310)
Other gains and losses, net								16,015	-	(2)	16,013
Fair value change in contingent consideration payables								122,220	-	-	122,220
Provision for impairment of other receivables and deposits, net								(218)	-	-	(218)
Finance costs								(11,106)	(84)	(140)	(11,330)
Share of results of associates								5,163	-	-	5,163
Unallocated corporate income								102	-	-	102
Unallocated corporate expenses								(67,633)	-	-	(67,633)
Loss before tax								(17,930)	(802,000)	(4,063)	(823,993)
Income tax credit/(expense)								6,526	130,084	(37)	136,573
Loss for the year								(11,404)	(671,916)	(4,100)	(687,420)
	Continuing operations								Discontinued operations		Total HK\$'000
	Securities HK\$'000	Insurance brokerage HK\$'000	Fur HK\$'000	Assets management HK\$'000	Money lending HK\$'000	Insurance technology HK\$'000	Network and licensing HK\$'000	Sub-total HK\$'000	Membership and event HK\$'000	Trading HK\$'000	
ASSETS											
Segment assets	257,014	3,087	20,698	2,141	167,304	20,687	21,014	491,945	8,770	7,814	508,529
Unallocated corporate assets								358,072	-	-	358,072
Total assets								850,017	8,770	7,814	866,601
LIABILITIES											
Segment liabilities	204,567	7,144	-	1,210	1,000	746	5,869	220,536	5,297	-	225,833
Unallocated corporate liabilities								235,753	-	-	235,753
Total liabilities								456,289	5,297	-	461,586

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. Segment Information (Continued)

For the year ended 31 March 2024 (Continued)

Other information

	Continuing operations								Discontinued operations			
	Securities	Insurance		Assets	Money	Insurance	Network and			Membership		Total
	HK\$'000	brokerage	Fur	management	lending	technology	licensing	Unallocated	Sub-total	and event	Trading	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Additions of property, plant and equipment	-	18	-	-	-	6	-	-	24	-	-	24
Additions of intangible assets	-	-	-	-	-	-	-	-	-	21,500	-	21,500
Additions of right-of-use assets	915	-	-	-	-	651	-	1,811	3,377	-	-	3,377
Write down of inventories	-	-	(728)	-	-	-	-	-	(728)	-	-	(728)
Impairment loss on intangible assets	-	-	-	-	-	-	-	-	-	(491,597)	-	(491,597)
Impairment loss on goodwill	-	-	-	-	-	-	-	-	-	(228,298)	-	(228,298)
Impairment loss on property, plant and equipment	-	-	(2,058)	-	-	-	-	-	(2,058)	-	-	(2,058)
Impairment loss on right-of-use assets	-	-	-	-	-	-	-	-	-	(1,997)	-	(1,997)
Provision for impairment of trade receivables	(77,918)	-	-	-	-	(81)	(289)	-	(78,288)	(2,771)	(4,259)	(85,318)
Provision for impairment of other receivables and deposits	-	-	(367)	-	-	-	-	(218)	(585)	-	-	(585)
Provision for impairment of loan receivables	-	-	-	-	(35,932)	-	-	-	(35,932)	-	-	(35,932)
Amortisation of intangible assets	-	-	-	-	-	(3,944)	-	-	(3,944)	(93,992)	-	(97,936)
Depreciation of property, plant and equipment	(173)	(576)	-	(16)	-	(11)	-	(244)	(1,020)	(47)	-	(1,067)
Depreciation of right-of-use assets	(57)	(2,447)	-	-	-	(244)	-	(38)	(2,786)	(922)	-	(3,708)

Segment results represent the result from each segment without allocation of central administration costs including directors' remuneration, other gains and losses excluded loss on disposal of loan receivables, share of result of an associate, fair value change in contingent consideration payables, unallocated other income, finance costs and income tax expense/credit, which are reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

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

- all assets other than other receivables, prepayments and deposits, financial assets at FVTPL, financial assets at FVTOCI, certain property, plant and equipment, goodwill, intangible assets, amounts due from related companies, bank balances and cash and tax recoverable are allocated to reportable segments. Assets used jointly by reportable segment are allocated on the basis of the revenues earned by individual reportable segment; and
- all liabilities other than accruals and other payables, amounts due to a former director/a shareholder/a related company, corporate bonds and tax payables are allocated to reportable segments. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

6. Segment Information *(Continued)*

Geographical information

The Group mainly operates in Hong Kong, the PRC and Denmark.

The Group's revenue from external customers from continuing operations based on the location of operations and information about its non-current assets by geographical location of the assets are analysed as follows:

	Revenue from external customers (continuing operations)		Non-current assets	
	2025 HK\$'000	2024 HK\$'000 (re-presented)	2025 HK\$'000	2024 HK\$'000
The PRC	72,363	120,802	6,370	19,494
Hong Kong	141,008	149,328	5,721	19,960
Denmark	14,890	33,141	5,484	8,719
	228,261	303,271	17,575	48,173

Note: Non-current assets excluded financial instruments.

Information about major customers

Revenue from customers contributing 10% or more of the total revenue of the Group from continuing operations is as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A (Segment: Network and licensing) (Note (a))	N/A	51,700
Customer B (Segment: Insurance technology)	62,269	66,494
Customer C (Segment: Insurance brokerage)	36,023	45,709

Note:

(a) Revenue from this customer contributed less than 10% of the Group's total revenue for the year ended 31 March 2025.

No other single customer contributed 10% or more to the Group's revenue for both years ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

7. Other Income

	2025 HK\$'000	2024 HK\$'000 (re-presented)
Continuing operations		
Administrative fee income	1,004	1,544
Bank interest income	6,642	4,859
Government grants	430	15,563
Handling fee income	797	1,028
Management service income	531	888
Migration service fee income	933	–
Referral income	327	1,120
Rental and utilities income (short-term leases)	25	25
Securities marketing service income	–	180
Others	629	1,901
	11,318	27,108

During the year ended 31 March 2025, the Group recognised government grants of which HK\$46,000, HK\$280,000, HK\$59,000 and Nil (2024: HK\$34,000, Nil, Nil and HK\$15,223,000) related to Reimbursement of Maternity Leave Pay Scheme, OFC-Sessia International OFC and SME Export Marketing Fund provided by the Hong Kong government and the compensation from the Danish government for the mink farming business respectively. There were no unfilled conditions or contingencies related to these government grants.

8. Other Gains and Losses, Net

An analysis of the Group's other (losses)/gains, net is as follows:

	Notes	2025 HK\$'000	2024 HK\$'000 (re-presented)
Continuing operations			
Foreign exchange losses, net		(327)	(1,485)
Impairment loss on property, plant and equipment	16	(3,167)	(2,058)
Changes in fair value of financial assets at FVTPL		7,859	19,482
Gain on disposal of financial assets at FVTPL		–	76
Loss on write-off of other receivables		(612)	–
Gain on disposal of intangible assets		774	–
Loss on disposal of loan receivables		(7,380)	–
		(2,853)	16,015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

9. Finance Costs

	2025 HK\$'000	2024 HK\$'000 (re-presented)
Continuing operations		
Interest on:		
– Bank and other borrowings	2,263	4,165
– Corporate bonds (effective)	4,797	6,684
– Lease liabilities (effective)	227	255
– Securities clients' accounts	1	2
	7,288	11,106

10. Loss before Tax

Loss before tax from continuing operations has been arrived at after charging:

	2025 HK\$'000	2024 HK\$'000 (re-presented)
Continuing operations		
Auditor's remuneration	1,108	968
Cost of inventories recognised as expenses	26,985	84,188
Amortisation of intangible assets	3,940	3,944
Depreciation of property, plant and equipment	318	1,020
Depreciation of right-of-use assets	2,908	2,786
Impairment loss on property, plant and equipment	3,167	2,058
Write down of inventories	7,445	728
Operating lease rental for short-term leases and low value assets	3,931	5,577
Staff costs (including directors' remuneration – Note 12)		
– salaries and benefits in kind	30,412	41,835
– discretionary bonus	–	–
– retirement benefits scheme contributions	932	1,107

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. Discontinued Operations

Membership and event segment

On 19 February 2024, the Group received a notice of termination of sub-license agreement between FGA (Hong Kong) Limited (the “Sub-Licensee”) (non-wholly own subsidiary of the Company) and the licensor dated 6 June 2022 (the “Sub-License Agreement”) from the licensor. On 21 June 2024, the Group received a final notice of termination of Sub-License Agreement and the termination effected on 30 June 2024. As result, the membership and event segment was treated as discontinued operation.

The loss for the year from the discontinued membership and event segment is set out below.

	2025 HK\$'000	2024 HK\$'000
Revenue	2,065	26,794
Cost of sales	(1,588)	(852)
Gross profit	477	25,942
Other income	23	1,388
Other gains and losses, net	(7)	–
Impairment loss on goodwill	–	(228,298)
Impairment loss on intangible assets	–	(491,597)
Impairment loss on right-of-use assets	–	(1,997)
Provision for impairment of trade receivables	(1,047)	(2,771)
Provision for impairment of other receivables and deposits	(23)	–
Selling and distribution expenses	(1,331)	(492)
Administrative expenses	(6,891)	(104,091)
Finance costs	(48)	(84)
Loss before tax	(8,847)	(802,000)
Income tax credit	–	130,084
Loss for the year	(8,847)	(671,916)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

11. Discontinued Operations *(Continued)*

Trading segment

On 15 September 2024, the Group disposed of Kingkey Capital Limited to an independent third party, and as a result, the trading segment was treated as discontinued operation.

The profit/(loss) for the period/year from the discontinued trading segment is set out below.

	2025 HK\$'000	2024 HK\$'000
Revenue	–	352
Cost of sales	–	–
Gross profit	–	352
Other income	1	1
Other gains and losses, net	(35)	(2)
Gain on disposal of a subsidiary	36	–
Reversal of/(provision for) impairment of trade receivables	4,259	(4,259)
Administrative expenses	(3)	(15)
Finance costs	(37)	(140)
Profit/(loss) before tax	4,221	(4,063)
Income tax expense	–	(37)
Profit/(loss) for the period/year	4,221	(4,100)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. Directors' Remuneration and Five Highest Paid Employees

(a) Directors' remuneration

Directors' remuneration for the year ended 31 March 2025, disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

Emoluments	Retirement				Total HK\$'000
	Fees HK\$'000	Salaries and benefits in kind HK\$'000	benefit scheme contributions HK\$'000	Discretionary bonus HK\$'000	
Executive directors					
Mr. Mong Cheuk Wai	-	576	-	-	576
Ms. Cheung Pui Ki Gloria (Note 1)	-	600	-	-	600
Mr. Leung Siu Kee (Note 2)	76	175	-	-	251
Independent non-executive directors					
Ms. Mak Yun Chu	120	-	-	-	120
Mr. Hung Wai Che	120	-	-	-	120
Mr. Chan Ting Fung	120	-	-	-	120
	436	1,351	-	-	1,787

Notes:

- (1) Ms. Cheung Pui Ki Gloria resigned on 17 June 2015.
- (2) Mr. Leung Siu Kee has been redesignated from an independent non-executive director to an executive director on 20 November 2024.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. Directors' Remuneration and Five Highest Paid Employees (Continued)

(a) Directors' remuneration (Continued)

Directors' remuneration for the year ended 31 March 2024, as disclosed pursuant to the applicable Listing Rules and the Hong Kong Companies Ordinance, is as follows:

Emoluments	Fees	Salaries and benefits in kind	Retirement benefit scheme contributions	Discretionary bonus	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Executive directors					
Mr. Chen Jiajun (Note 1)	–	563	–	–	563
Mr. Mong Cheuk Wai	–	576	–	–	576
Ms. Cheung Pui Ki Gloria (Note 2)	–	32	–	–	32
Independent non-executive directors					
Ms. Mak Yun Chu	120	–	–	–	120
Mr. Hung Wai Che	120	–	–	–	120
Mr. Leung Siu Kee	120	–	–	–	120
Mr. Chan Ting Fung	120	–	–	–	120
	480	1,171	–	–	1,651

Notes:

- (1) Mr. Chen Jiajun has been removed as an executive director of the Company with effect from 8 March 2024.
- (2) Ms. Cheung Pui Ki Gloria has been appointed as an executive director of the Company with effect from 12 March 2024.

The directors' and chief executive's emoluments shown above were mainly for their services as directors of the Company or its subsidiaries.

During the year, no director received any emoluments from the Group as an inducement to join or leave the Group or compensation for loss of office and none of them waived or has agreed to waive any emoluments (2024: Nil).

During the years ended 31 March 2025 and 2024, no share options were granted to directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

12. Directors' Remuneration and Five Highest Paid Employees (Continued)

(b) Five highest paid employees

No directors included in the five highest paid employees of the Group during the year (2024: Nil). Detail of the remuneration for the year for the five 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 benefits in kind	6,554	6,578
Discretionary bonus	–	–
Defined contribution and retirement benefit scheme contributions	72	72
	6,626	6,650

The number of the highest paid employees are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025 Number of employees	2024 Number of employees
HK\$500,001–HK\$1,000,000	–	1
HK\$1,000,001–HK\$1,500,000	4	3
HK\$1,500,001–HK\$2,000,000	1	1
	5	5

During the year, the five (2024: five) employees have not received any emoluments from the Group as an inducement to join or leave the Group or compensation for loss of office.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

13. Income Tax Expense/(Credit)

	2025 HK\$'000	2024 HK\$'000 (re-presented)
Hong Kong Profits Tax		
Current year provision	2,180	1,238
Under-provision/(over-provision) in prior years	1,308	(6,598)
	3,488	(5,360)
PRC Enterprise Income Tax		
Current year provision	–	41
Deferred tax	(122)	(1,207)
Tax expense/(credit) for the year from continuing operations	3,366	(6,526)

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.

Subsidiary in Denmark is subjected to Denmark Corporation Tax at 22% for the year ended 31 March 2025 (2024: 22%). No provision has been made for Denmark Corporation Tax as the tax losses brought forward from previous year exceed the estimated assessable profits for the years.

Subsidiary in the PRC is subjected to PRC Enterprise Income Tax at a statutory rate of 25% (2024: 25%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

13. Income Tax Expense/(Credit) (Continued)

The income tax expense/(credit) for the year can be reconciled to the loss before tax as follows:

	2025 HK\$'000	2024 HK\$'000 (re-presented)
Loss before tax from continuing operations	(115,459)	(17,930)
Loss before tax from discontinued operations	(4,626)	(806,063)
Loss before tax	(120,085)	(823,993)
Tax at Hong Kong Profits Tax of 16.5% (2024: 16.5%)	(19,814)	(135,959)
Tax effect of income not taxable for tax purposes	(13,767)	(44,372)
Tax effect of expenses not deductible for tax purposes	28,392	75,056
Tax effect on tax concession	(2)	–
Tax effect on tax losses not recognised	8,521	21,635
Tax effect of share result of associates	2,241	(852)
Tax effect of two-tiered profits tax rate regime	(165)	–
Tax effect of temporary differences not recognised	(40)	–
Over provision in prior years	1,308	(6,598)
Utilisation of tax losses previously not recognised	(3,266)	(597)
Effect of different tax rates of group entities operating in other jurisdictions	(42)	(44,886)
Income tax expense/(credit) for the year	3,366	(136,573)
Income tax expense/(credit) from continuing operations	3,366	(6,526)
Income tax credit from discontinued operations	–	(130,047)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

14. Dividends

No dividend was paid or proposed for ordinary shareholders of the Company for the years ended 31 March 2025 and 2024, nor has any dividend been proposed since the end of the reporting period.

15. Loss per Share

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the loss attributable to owners of the Company from continuing and discontinued operations for the year ended 31 March 2025 of HK\$116,939,000 (2024: HK\$551,252,000) and loss attributable to owners of the Company from continuing operations for the year ended 31 March 2025 of HK\$114,967,000 (2024: HK\$8,322,000) respectively and the weighted average number of 1,122,700,960 ordinary shares (2024: number of 724,893,814* restated ordinary shares) in issue during the year.

* Restated based on right issue and share consolidation that took place on 8 January 2025 and 2 September 2024 respectively.

Diluted loss per share

No adjustment was made in calculating the diluted loss per share for both years ended 31 March 2025 and 2024 as there were no potential ordinary shares in issues outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. Property, Plant and Equipment

	Land HK\$'000	Mink farm buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Office equipment HK\$'000	Motor vehicle HK\$'000	Total HK\$'000
COST							
At 1 April 2023	10,895	84,558	9,010	51,550	3,999	599	160,611
Additions	–	–	–	–	24	–	24
Written-off	–	–	–	–	–	(142)	(142)
Exchange difference	(127)	(989)	(5)	(603)	(11)	(7)	(1,742)
At 31 March 2024 and 1 April 2024	10,768	83,569	9,005	50,947	4,012	450	158,751
Additions	–	–	251	–	24	2,270	2,545
Written-off	–	–	(3,703)	–	–	–	(3,703)
Disposal of subsidiaries	–	–	(2,792)	–	–	–	(2,792)
Exchange difference	(64)	(495)	(1)	(302)	(3)	(2)	(867)
At 31 March 2025	10,704	83,074	2,760	50,645	4,033	2,718	153,934
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 April 2023	–	84,558	8,003	51,550	3,706	595	148,412
Charge for the year	–	–	900	–	167	–	1,067
Written-off	–	–	–	–	–	(142)	(142)
Impairment	2,058	–	–	–	–	–	2,058
Exchange difference	(9)	(989)	(4)	(603)	(6)	(7)	(1,618)
At 31 March 2024 and 1 April 2024	2,049	83,569	8,899	50,947	3,867	446	149,777
Charge for the year	–	–	235	–	66	38	339
Written-off	–	–	(3,703)	–	–	–	(3,703)
Impairment	3,167	–	–	–	–	–	3,167
Disposal of subsidiaries	–	–	(2,792)	–	–	–	(2,792)
Exchange difference	4	(495)	(1)	(302)	(1)	(3)	(798)
At 31 March 2025	5,220	83,074	2,638	50,645	3,932	481	145,990
CARRYING AMOUNTS							
At 31 March 2025	5,484	–	122	–	101	2,237	7,944
At 31 March 2024	8,719	–	106	–	145	4	8,974

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

16. Property, Plant and Equipment *(Continued)*

Land represents freehold land situated in Denmark. No depreciation is provided accordingly. All mink farm buildings are located on the freehold land situated in Denmark.

As at 31 March 2025, no property, plant and equipment was pledged to secure banking facilities granted to the Group (2024: plant and machinery with amount before impairment of DKK5,612,000 (equivalent to approximately HK\$6,354,000)). Details of the assets pledged are disclosed in Note 35 to the consolidated financial statements.

Impairment testing on property, plant and equipment

For the years ended 31 March 2025 and 2024, the recoverable amounts of the land were determined based on the assets' fair values less costs of disposal, determined by reference to a valuation performed by the valuer. At the end of the reporting period, the Group tests whether the carrying values of land have suffered any impairment in accordance with the accounting policy on impairment of non-financial assets (Note 3). The Group assessed the recoverable amounts of land which is HK\$5,484,000 (2024: HK\$8,719,000) and the Group had recognised impairment loss on property, plant and equipment of HK\$3,167,000 (2024: HK\$2,058,000). The estimates of recoverable amounts were based on the assets' fair values less costs of disposal, determined by reference to a valuation performed by the valuer. The Group uses direct comparison to estimate the fair value less costs of disposal of the assets which is based on the recent transaction prices for similar properties adjusted for nature, location and conditions of the property.

No impairment assessment was performed on property, plant and equipment (excluding land) as no indicators of impairment was identified as the assets are primarily attributable to the securities segment, which sustained profitability throughout the fiscal year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. Right-of-use Assets

	HK\$'000
COST	
At 1 April 2023	11,215
Addition	3,377
Exchange difference	(209)
At 31 March 2024 and 1 April 2024	14,383
Addition	1,955
Disposal of subsidiaries	(7,342)
Exchange difference	(55)
At 31 March 2025	8,941
ACCUMULATED DEPRECIATION	
At 1 April 2023	2,637
Charge for the year	3,708
Impairment	1,997
Exchange difference	(54)
At 31 March 2024 and 1 April 2024	8,288
Charge for the year	2,908
Disposal of subsidiaries	(5,099)
Exchange difference	(52)
At 31 March 2025	6,045
NET CARRYING AMOUNT	
At 31 March 2025	2,896
At 31 March 2024	6,095

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

17. Right-of-use Assets *(Continued)*

	2025 HK\$'000	2024 HK\$'000
Expense relating to short-term leases	3,931	5,577
Total cash outflow for leases on right-of-use assets	4,116	4,136
Total cash outflow for leases	8,047	9,713

For both years, the Group leased various offices for its operations. Lease contracts are entered into with terms of 24 months to 60 months (2024: 24 months to 60 months).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for offices. As at 31 March 2025 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term leases expense disclosed above.

As described in the Note 18, in respect of the membership and event segment, the management had recognised impairment loss of HK\$1,997,000 for the year ended 31 March 2024. No impairment has been recognised for the year ended 31 March 2025 as the right-of-use assets are primarily used by the profitability segments such as securities segment, insurance brokerage segment, assets management segment and money lending segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

18. Goodwill

	2025 HK\$'000	2024 HK\$'000
COST		
At beginning of the year	438,533	438,533
Acquisition of subsidiaries	–	–
At end of the year	438,533	438,533
ACCUMULATED IMPAIRMENT		
At beginning of the year	431,081	202,783
Impairment loss recognised in the year	7,452	228,298
At the end of the year	438,533	431,081
CARRYING AMOUNT		
At end of the year	–	7,452

Impairment testing on Goodwill

Goodwill is assessed for impairment annually irrespective of whether there is any indication of impairment.

At the end of the reporting period, the carrying amount of goodwill represents goodwill arising from the acquisition of:

	2025 HK\$'000	2024 HK\$'000
Securities segment	–	–
Membership and event segment	–	–
Insurance technology segment	–	7,452

For the purpose of impairment testing, the recoverable amounts of the CGUs are determined by value in use calculations. The key assumptions for the value in use calculations are those regarding the financial forecast approved by management covering a 5-year period and discount rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

18. Goodwill *(Continued)*

Membership and event segment

For the year ended 31 March 2024

On 19 February 2024, the Group received a notice of termination of sub-license agreement between FGA (Hong Kong) Limited (the “Sub-Licensee”) (non-wholly own subsidiary of the Company) and the licensor dated 6 June 2022 (the “Sub-License Agreement”) from the licensor. After the management reviewed the terms of the Sub-License Agreement and negotiated with the licensor in relation to the termination, the management had recognised impairment loss on goodwill of HK\$228,298,000 in consolidated statement of profit or loss for the year ended 31 March 2024.

On 20 June 2024, the Group received a final notice of termination of Sub-License Agreement and the termination is effective on 30 June 2024.

Insurance technology segment

For the year ended 31 March 2025

The recoverable amount of this CGU has been determined based on a value-in-use calculation. The calculation uses cash flow projection based on financial forecast prepared by management covering a 5-year period, and pre-tax discount rate of 21.56% (2024: 23.21%) and the average growth rate used is 3.90% (2024: 6.48%). Cash flows beyond the 5-year period are extrapolated using a long term 2.02% (2024: 2.02%) growth rate. This growth rate is based on historical GDP and inflation rate. Other key assumptions for the value in use calculation related to the estimation of financial forecast includes budget revenue and operating expenses. Such estimation is based on the past performance of the insurance technology business and the management’s expectations for market development.

The valuation was performed by an independent valuer, not connected to the Group. With reference to the valuation, the management of the Group has reviewed the recoverable amount of the CGU which the goodwill is allocated to. The amount of value-in-use of the CGU is HK\$6,490,000 (2024: HK\$26,433,000), the amount of carrying amount of CGU is HK\$13,896,000 (which included goodwill and intangible assets) (2024: HK\$18,764,000) and the headroom amount is Nil (2024: HK\$1,621,000) for the year ended 31 March 2025. Impairment loss of HK\$7,452,000 (2024: Nil) has been recognised in consolidated statement of profit or loss for the year ended 31 March 2025 accordingly.

No impairment recognised for intangible assets for the insurance technology segment.

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For the year ended 31 March 2025

19. Intangible Assets

	Trademark license HK\$'000	Software HK\$'000	IT platform HK\$'000	Usage rights HK\$'000	Trading rights HK\$'000	Total HK\$'000
Cost						
At 1 April 2023	548,900	6,115	38,985	26,550	500	621,050
Additions	–	–	12,000	9,500	–	21,500
Exchange difference	–	(187)	–	–	–	(187)
At 31 March 2024 and 1 April 2024	548,900	5,928	50,985	36,050	500	642,363
Disposal	–	(2,457)	–	–	–	(2,457)
Written-off	(548,900)	(2,067)	(34,667)	(36,050)	–	(621,684)
Exchange difference	–	(31)	–	–	–	(31)
At 31 March 2025	–	1,373	16,318	–	500	18,191
Accumulated amortisation						
At 1 April 2023	24,222	1,605	5,919	9,063	–	40,809
Charge for the year	75,647	1,859	11,728	8,702	–	97,936
Impairment	449,031	739	23,542	18,285	–	491,597
Exchange difference	–	(49)	–	–	–	(49)
At 31 March 2024 and 1 April 2024	548,900	4,154	41,189	36,050	–	630,293
Charge for the year	–	379	3,561	–	–	3,940
Disposal	–	(1,071)	–	–	–	(1,071)
Written-off	(548,900)	(2,067)	(34,667)	(36,050)	–	(621,684)
Exchange difference	–	(22)	–	–	–	(22)
At 31 March 2025	–	1,373	10,083	–	–	11,456
Carrying values						
At 31 March 2025	–	–	6,235	–	500	6,735
At 31 March 2024	–	1,774	9,796	–	500	12,070

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

19. Intangible Assets *(Continued)*

The trading rights that confer eligibility of the Company to trade on The Stock Exchange of Hong Kong Limited. The trading rights is considered by the management as having an indefinite useful life since it is expected to contribute net cash inflows to the Company indefinitely and therefore, it is required to be tested for impairment annually and it will not be amortised until its useful life is determined to be finite.

The management believes that any reasonable possible change in any assumption of the carrying amount of the intangible asset would not exceed the recoverable amount. At the end of reporting period, the management determined that there is no impairment of its trading rights which is belong to securities segment.

The IT platform and trademark license have finite useful life and are amortised on a straight-line basis over the terms of 3 years to 5 years and 10 years respectively.

The usage rights have finite useful life and amortised on a straight-line basis over the terms of 2 years to 5 years.

As described in the Note 18, in respect of the membership and event segment, the management has recognised impairment loss of HK\$449,031,000, HK\$739,000, HK\$23,542,000 and HK\$18,285,000 for the trademark license, software, IT platform and usage rights respectively for the year ended 31 March 2024. As the Sub-License Agreement is terminated on 30 June 2024, these assets are written off for the year ended 31 March 2025.

As described in the Note 18, in respect of insurance technology segment, no impairment loss was recognised for software and IT platform for the years ended 31 March 2025 and 31 March 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. Interest in an Associate

	2025 HK\$'000	2024 HK\$'000
Cost of interest in an associate	10,100	10,100
Gain on bargain purchase	5,578	5,578
Share of post-acquisition loss	(15,678)	(2,096)
	–	13,582

The associate of the Group, which was incorporated in Hong Kong is follows:

Name	Proportion of ownership interest and voting right held by the Group		Principal activities
	2025	2024	
Sky Asia Construction Engineering Limited ("Sky Asia")	49%	49%	Generation of rental income from yacht leasing

Note: During the year ended 31 March 2024, the Group had lost significant influence over the operating and financing activities of Skyroar Limited ("Skyroar"), due to the capital injection by other Skyroar's shareholders. Upon the completion of capital injection, the Group's interests in Skyroar had been reduced from 36.03% to 14.61%. As a result, the Group reclassified its 14.61% equity interests in Skyroar from an interest in an associate to financial asset as at FVTPL as at 31 March 2024. A loss arising from the remeasurement of Skyroar to fair value at the time when the Group lost significant influence over Skyroar of HK\$572,000 was recognised in profit or loss for the year ended 31 March 2024.

The Group's shareholding in Sky Asia is held through a subsidiary of the Company.

Interest in an associate is accounted for using the equity method.

The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRS Accounting Standards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

20. Interest in an Associate (Continued)

Sky Asia

	2025 HK\$'000	2024 HK\$'000
Current assets	144	12,044
Non-current assets	19,750	22,750
Current liabilities	(20,082)	(7,076)
Net (liabilities)/assets	(188)	27,718
Reconciliation to the Group's interest in the associate:		
Proportion of the Group's ownership	49%	49%
Group's share of net assets of the associate	–	13,582
Carrying amount of the investment	–	13,582
Revenue	1,181	2,833
Loss and total comprehensive loss for the year	(27,906)	(2,739)

	2025 HK\$'000	2024 HK\$'000
The unrecognised of share of loss of an associate for the year	92	–
Accumulative unrecognised share of loss of an associate	92	–

21. Financial Assets at Fair Value through Profit or Loss

	2025 HK\$'000	2024 HK\$'000
Unlisted funds (Note a)	108,385	67,327
Equity securities listed in the United States (Note c)	75	25
Unlisted equity (Note b)	74,853	83,230
	183,313	150,582

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

21. Financial Assets at Fair Value through Profit or Loss (Continued)

Notes:

- (a) These represent interests in unlisted funds. The financial assets are measured at fair value and was categorised as level 2 in the fair value hierarchy. Details of which are disclosed in Note 41 to the consolidated financial statements.

The Group has invested in four (2024: two) private equity funds as a limited partner:

- (i) Horizon Growth Fund Limited (the “Horizon Growth Fund”) is a BVI business company incorporated with limited liability under the BVI Business Companies Act 2004. The Horizon Growth Fund has been established and is approved as an approved fund under the Securities and Investment Business (Incubator and Approved Funds) Regulations, 2015 (as amended). The Horizon Growth Fund invested in entities based in Hong Kong which hold intellectual property assets including patents, trademarks, copyrights, confidential information and other rights. The Horizon Growth Fund might issue debt securities including but not limited to bonds, debenture or secured notes as part of the leverage instruments.
- (ii) The Group invested in Metagate Investment SPC (the “Metagate”) during the year ended 31 March 2025. It is an exempted company incorporated with limited liability and registered as a segregated portfolio company under the Companies Act. Metagate is a “regulated mutual fund” for the purposes of the Mutual Funds Act and is registered with CIMA pursuant to section 4(3) of the Mutual Funds Act. Metagate invested in a wide range of instruments including, but not limited to, listed and unlisted equities, preferred stocks, convertible securities, equity-related instruments, debt securities and obligations (which may be below investment grade), currencies, commodities, futures, options, warrants, swaps and other derivative instruments.
- (iii) The Group invested in HBV Web 3 Opportunities Limited Partnership Fund (“HBV Fund”) during the year ended 31 March 2025. It is a limited partnership fund registered in Hong Kong pursuant to the Limited Partnership Fund Ordinance (Cap. 637 of the Law of Hong Kong). The HBV Fund invested in the listed equities in the United States.
- (iv) Privilege Global Absolute Return Fund (“Privilege Global”), an exempted company incorporated with limited liability under the laws of the Cayman Islands. The Privilege Global invested in entering contracts or bills with financial companies, fixed income fund mortgage fund is in Hong Kong and fixed income debt securities issued by listed companies in Hong Kong.
- (b) During the year ended 31 March 2024, the Group had lost significant influence over the operating and financing activities of Skyroar, hence the Group’s investment in Skyroar had been reclassified from interest in an associate to financial assets at FVTPL (Note 20). The financial assets are measured at fair value and was categorised as level 3 in the fair value hierarchy. Details of which are disclosed in Note 41 to the consolidated financial statements.
- (c) The fair values of the listed securities are determined based on the quoted market bid prices at the end of each reporting period.

	2025 HK\$'000	2024 HK\$'000
Analysed for reporting purposes as:		
Current assets	75	25
Non-current assets	183,238	150,557
	183,313	150,582

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

22. Financial Assets at Fair Value through Other Comprehensive Income

	2025 HK\$'000	2024 HK\$'000
Equity securities listed in		
– Hong Kong (Notes a, b)	1,210	1,425
– Australia (Notes a, b)	150	21,304
– Switzerland (Notes a, b)	37,182	–
	38,542	22,729

Notes:

- (a) The fair values of listed securities are based on quoted closing prices as at the end of the reporting period.
- (b) These investments are held for long-term strategic purposes. The directors of the Company have elected to designate these investments in financial assets at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

At initial recognition, the management made an irrevocable election to present fair value gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends income from such investments continue to be recognised in profit or loss as "other income" when the Group's rights to receive payments is established.

23. Inventories

	2025 HK\$'000	2024 HK\$'000
Trading goods		
– Pelted skins	–	11,979
– Song licenses	–	15,000
	–	26,979

All of the inventories are carried at lower of cost or net realisable value as at 31 March 2025 and 2024 respectively.

As at 31 March 2024, inventories of DKK10,579,000 (equivalent to approximately HK\$11,979,000) were pledged to secure banking facilities granted to the Group. Details of the assets pledged are disclosed in Note 35 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. Trade and Other Receivables, Prepayments and Deposits

	2025 HK\$'000	2024 HK\$'000
Trade receivables from:		
Securities brokerage business (Note (a))		
– Cash clients	13	4
– Margin clients	221,188	157,295
– Clearing house	7	11,396
– Brokers	6	6
	221,214	168,701
Assets management business (Note (b))	911	2,109
Network licensing, insurance technology and trading businesses (Note (c))	16,285	19,695
Membership and event business (Note (d))	9,409	11,551
	247,819	202,056
Less: Provision for impairment of trade receivables	(135,166)	(114,664)
	112,653	87,392
Prepayments	1,714	9,850
Deposits	7,602	7,591
Other receivables (Notes (e) and (f))	94,910	29,645
Less: Provision for impairment of other receivables and deposits	(5,797)	(585)
	98,429	46,501
	211,082	133,893
Analysis for reporting purpose as:		
Current assets	209,742	131,969
Non-current assets – deposits	1,340	1,924
	211,082	133,893

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. Trade and Other Receivables, Prepayments and Deposits *(Continued)*

Notes:

- (a) The settlement terms of trade receivables arising from the securities brokerage business are two days after the trade date.

Cash clients

Cash clients are required to place cash deposits as prescribed in the Group's credit policy before execution of any purchase transactions. For overdue receivables, the management ensures that the listed securities belonging to clients in which the Group holds as custodian are sufficient to cover the amounts due to the Group.

Margin clients

The Group maintains a list of approved securities held as collaterals for margin lending at a specified loan-to-collateral ratio. The credit facility limits granted to margin clients are determined by the discounted value of the securities collaterals accepted by the Group's management. A margin call may occur when the balances of the outstanding receivables from margin clients exceed the permitted margin loan limit, or when the discounted value of the collateral securities is less than the balances due from margin clients.

As at 31 March 2025, the fair value of the pledged securities held by the Group amounted to HK\$374,380,000 (2024: HK\$194,384,000).

Clearing house

Trade receivables from a clearing house represents outstanding balance pending to be settled arising from the securities brokerage business, which are normally due within two trading days after the trade date.

- (b) The Group allows a credit period ranging from 0 day to 90 days to its customers from the assets management business.
- (c) The Group allows a credit period ranging from 0 day to 90 days to the customers from network and licensing business, insurance technology business and trading business.
- (d) No credit period for the customers from membership and event business.
- (e) The other receivables included HK\$2,790,000 (2024: HK\$19,572,000) which from Copenhagen Fur (for auction house).
- (f) As at 31 March 2025, other receivables included an amount of HK\$85,508,000 (2024: Nil), which was placed in Wealth Guardian Investment Limited ("Wealth Guardian"), a financial service provider in New Zealand. During the year ended 31 March 2025, the Group deposited a total of HK\$115,000,000 (2024: Nil). The amount placed in Wealth Guardian earns interest at 3.5% per annum and is restriction free. As of the report date, the outstanding amount as at 31 March 2025 had been fully repatriated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. Trade and Other Receivables, Prepayments and Deposits (Continued)

The ageing analysis of the Group's trade receivables from the securities brokerage business, net of provision for impairment, are as follows:

	2025 HK\$'000	2024 HK\$'000
Margin clients balances:		
No due date	103,940	50,085
Cash clients balances:		
Neither past due nor impaired	–	–
Past due but not impaired	13	4
	13	4
Other balances:		
Neither past due nor impaired	7	11,396
Past due but not impaired	6	6
	13	11,402
	103,966	61,491

Provision for impairment of trade receivables from the securities brokerage business is as follow:

	2025 HK\$'000	2024 HK\$'000
Balance at the beginning of the year	107,210	29,292
Provision for impairment under ECL	33,091	79,005
Recovery during the year	(22,595)	(1,087)
Written-off	(458)	–
Balance at the end of the year	117,248	107,210

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted and subsequent settlement after the end of the reporting period. In the opinion of the directors of the Company, there is no further credit provision required in excess of the allowance for ECL.

Details of impairment assessment of securities brokerage business for prior and current year are set out in "Financial risk management objectives and policies" in Note 41 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. Trade and Other Receivables, Prepayments and Deposits *(Continued)*

The ageing analysis of the Group's trade receivables from the assets management business, net of provision for impairment, based on invoice dates are as follows:

	2025 HK\$'000	2024 HK\$'000
0-60 days	910	2,109
61-90 days	—	—
Over 90 days	1	—
	911	2,109

The ageing analysis of the Group's trade receivables from the assets management business which are past due but not impaired are as follows:

	2025 HK\$'000	2024 HK\$'000
Overdue by:		
1-30 days	—	—
31-90 days	—	—
Over 90 days	1	—
	1	—

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. Trade and Other Receivables, Prepayments and Deposits *(Continued)*

Receivables were related to customers for whom there was no recent history of default. As at 31 March 2025, the Group has assessed the recoverability of the receivables that were past due and considered any change in the credit quality of the trade receivables from the date when credit was initially granted and subsequent settlement after the end of the reporting period. In the opinion of the directors of the Company, no provision for impairment has been recognised because there has not been a significant change in credit quality of these debtors and the amounts are still considered recoverable based on the good payment record of the customers and subsequent settlement after the end of the reporting period.

The ageing analysis of the Group's trade receivables from the membership and event business, net of provision for impairment, based on invoice dates are as follows:

	2025 HK\$'000	2024 HK\$'000
0–60 days	–	1,449
61–90 days	–	489
Over 90 days	5,537	6,788
	5,537	8,726

The ageing analysis of the Group's trade receivables from the membership and event business which are past due but not impaired are as follows:

	2025 HK\$'000	2024 HK\$'000
Overdue by:		
1–30 days	–	1,449
31–90 days	–	489
Over 90 days	5,537	6,788
	5,537	8,726

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. Trade and Other Receivables, Prepayments and Deposits (Continued)

Provision for impairment of trade receivables from the membership and event business is as follow:

	2025 HK\$'000	2024 HK\$'000
Balance at the beginning of the year	2,825	54
Provision for impairment under ECL	1,344	2,825
Recovery during the year	(297)	(54)
Balance at the end of the year	3,872	2,825

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted and subsequent settlement after the end of the reporting period.

Details of impairment assessment of membership and event business for prior and current year are set out in "Financial risk management objectives and policies" in Note 41 to the consolidated financial statements.

The ageing analysis of the Group's trade receivables from the network and licensing, insurance technology and trading businesses, net of provision for impairment, based on invoice dates are as follows:

	2025 HK\$'000	2024 HK\$'000
0-60 days	2,239	1,238
61-90 days	-	-
Over 90 days	-	13,828
	2,239	15,066

The ageing analysis of the Group's trade receivables from the network and licensing, insurance technology and trading businesses which are past due but not impaired are as follows:

	2025 HK\$'000	2024 HK\$'000
Overdue by:		
1-30 days	-	-
31-90 days	-	-
Over 90 days	-	13,828
	-	13,828

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

24. Trade and Other Receivables, Prepayments and Deposits (Continued)

Provision for impairment of trade receivables from the network and licensing, insurance technology and trading businesses is as follow:

	2025 HK\$'000	2024 HK\$'000
Balance at the beginning of the year	4,629	–
Provision for impairment under ECL	13,676	4,629
Recovery during the year	(4,259)	–
Balance at the end of the year	14,046	4,629

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted and subsequent settlement after the end of the reporting period.

Details of impairment assessment of network and licensing, insurance technology and trading businesses for prior and current year are set out in “Financial risk management objectives and policies” in Note 41 to the consolidated financial statements.

25. Loan Receivables

	2025 HK\$'000	2024 HK\$'000
Loans from money lending business – unsecured	157,011	86,817
Loans from money lending business – secured (Note)	302,944	112,190
Interest receivables	33,128	9,756
	493,083	208,763
Less: Provision for impairment	(68,302)	(41,459)
	424,781	167,304

Note: The loans were pledged by unlisted shares and properties. The collaterals were not properly registered under the local jurisdictions. The ECL assessments did not consider any value for these collaterals.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

25. Loan Receivables (Continued)

The Group offered a credit period ranging from 2 weeks to 1 year for the loans to its customers in money lending business with fixed interest rate ranging from 8.5% p.a. to 48% p.a. (2024: from 10% p.a. to 48% p.a.). The Group maintains strict control over its outstanding loans to minimise credit risk. Overdue balance are reviewed regularly by the management.

The following is an ageing analysis of the Group's loan receivables by age, presented based on the due date and net of provision for impairment at 31 March 2025 and 2024:

	2025 HK\$'000	2024 HK\$'000
No past due	308,821	132,378
Overdue by:		
1–30 days	8,432	9,340
31–60 days	1,991	8,150
61–90 days	1,527	181
Over 90 days	104,010	17,255
	424,781	167,304

Analysis of the provision for impairment of loan receivables is as follows:

	2025 HK\$'000	2024 HK\$'000
Balance at the beginning of the year	41,459	5,527
Recovered during the year	(23,181)	(1,420)
Provision for the year	50,024	37,352
Balance at the end of the year	68,302	41,459

Details of impairment assessment of loan receivables for prior and current year are set out in "Financial risk management objective and policies" in Note 41 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

26. Bank Balances Held on Behalf of Clients

The Group maintains segregated trust accounts with licensed banks to hold clients' monies arising from its securities business. The Group has classified clients' monies as bank balances held on behalf of clients under the current assets section of the consolidated statement of financial position and recognised the corresponding accounts payable to respective clients on the grounds that it is liable for any loss or misappropriation of clients' monies. The Group is not allowed to use clients' monies to settle its own obligations.

27. Bank Balances and Cash

The amounts comprise cash held by the Group and short-term bank deposits at market interest rates ranging from 0.001% to 3.75% (2024: from 0.001% to 4.2%) per annum with an original maturity of three months or less.

28. Trade and Other Payables

	2025 HK\$'000	2024 HK\$'000
Trade payables from:		
Securities brokerage business (Note (a))		
– Cash clients	20,695	31,980
– Margin clients	137,606	171,710
	158,301	203,690
Membership and event business (Note (b))	1,810	3,309
Network and licensing business (Note (b))	5,868	5,869
Assets management business (Note (b))	–	1,210
Insurance technology business (Note (b))	278	–
Insurance brokerage business (Note (b))	3,605	3,789
	169,862	217,867
Other payables:		
Accruals	1,819	3,214
Corporate bonds interest payable	530	2,206
Other loan interest payable	8	1,577
Amount due to a shareholder of a subsidiary (Note (c))	12,734	15,112
Contract liabilities (Note (d))	3,114	13,034
Value-added tax payable	94	7,151
Other operating expenses payable	6,886	14,680
Others (Note (d))	7,784	3,787
	202,831	278,628

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

28. Trade and Other Payables (Continued)

Notes:

- (a) Trade payables to securities clients represent the monies received from or payable to brokerage clients in respect of the trust and segregated bank balances received and held for clients in the course of conducting regulated activities. However, the Group does not have a currently enforceable rights to offset these payables with those balances receivables.

The trade payables from the securities business are normally settled within two trading days after the trade date except for the money held on behalf of clients at the segregated bank accounts which is repayable on demand. The money held on behalf of clients at the segregated bank accounts carries interest at prevailing interest rate of 0.01% (2024: 0.01%) per annum.

No ageing analysis is disclosed as, in the opinion of the directors, an ageing analysis does not give additional value in view of the nature of the business.

Included in trade payables from margin clients, five of the margin clients claimed against for the cash balances with total sum of approximately HK\$47.3 million in five margin accounts.

- (b) Based on the invoice dates, ageing analysis of trade payables from membership and event business, assets management business, network and licensing business, insurance technology business and insurance brokerage business are as follows:

	2025 HK\$'000	2024 HK\$'000
0–60 days	3,429	4,840
61–90 days	–	–
91–120 days	453	27
Over 120 days	7,679	9,310
	11,561	14,177

- (c) Energetic Force Investments Limited is a shareholder of FGA Holdings Limited, a non-wholly owned subsidiary of the Company. The amount is unsecured, non-interest bearing and repayable on demand.

- (d) Contract liabilities are mainly from membership and event business and insurance technology business.

Revenue recognised during the year ended 31 March 2025 that was included in the contract liabilities in prior year is HK\$7,845,000 (2024: HK\$7,882,000).

Since the membership and event business has terminated during the year, the contract liabilities with amount approximately HK\$5,189,000 has transferred to others during the year ended 31 March 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

29. Other Borrowings

	2025 HK\$'000	2024 HK\$'000
Loans from other creditors	24,500	38,329

The loans from other creditors were charged at an interest rate from 6% to 10% (2024: 6% to 24%) per annum and repayable within one year.

The amounts repayable as extracted from agreed repayment schedules were as follows:

	2025 HK\$'000	2024 HK\$'000
On demand or within one year	24,500	38,329

30. Lease Liabilities

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

	31 March 2025		31 March 2024	
	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000	Present value of the minimum lease payments HK\$'000	Total minimum lease payments HK\$'000
Within one year	3,529	3,651	5,460	5,754
In more than one year but not more than two years	554	564	2,981	3,040
	4,083	4,215	8,441	8,794
Less: Future finance charges		(132)		(353)
Present value of lease liabilities		4,083		8,441

The weighted average incremental borrowing rate applied to the lease liabilities is 4.7% (2024: 4.6%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

31. Amount due to a Former Director/Shareholder

The amounts due are unsecured, non-interest bearing and repayable on demand.

32. Corporate Bonds

At the end of the reporting period, corporate bonds were payable as follows:

	2025 HK\$'000	2024 HK\$'000
Maturity:		
Within one year	36,617	75,982
In more than one year but not more than two years	11,000	20,817
In more than two years but not more than five years	–	16,000
	47,617	112,799
Less: Amounts due for settlement within 12 months (shown under current liabilities)	(36,617)	(75,982)
Amounts due for settlement after 12 months (shown under non-current liabilities)	11,000	36,817

During the year, the Group has issued corporate bonds with aggregate amount of HK\$47,000,000 (2024: HK\$70,200,000), with tenor of 1 year (2024: 1–3 years). The bonds were issued with effective interest rate ranging from 6%–7% (2024: 6% to 7.5%), which are payable either semi-annually or annually.

Both parties do not have the rights to exercise partial or full early redemption. No conversion rights were granted under the corporate bond agreements. As at 31 March 2025, the corporate bonds were unsecured (2024: corporate bonds of HK\$3,000,000 were secured by personal guarantee from Mr. Chen Jiajun, a former director of the Company).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

33. Deferred Taxation

The deferred tax liabilities are made up of the following:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the reporting period	336	131,627
Credit to profit or loss	(122)	(131,291)
At the end of the reporting period	214	336

At the end of the reporting period, the Group has estimated unrecognised tax losses of HK\$383,517,000 (2024: HK\$428,446,000) to set off against future taxable income. No deferred tax asset is recognised in respect of such tax losses carried forward as the realisation of the related tax benefit through future taxable profits could not be reasonably assessed. The tax losses do not have expiry date under the current tax legislation. The Group had no material unprovided deferred tax liabilities at the end of the years of 2025 and 2024.

34. Share Capital

	Notes	Number of ordinary shares	HK\$'000
Authorised:			
At 1 April 2023, 31 March 2024 and 1 April 2024			
(10,000,000,000 ordinary shares of HK\$0.01 each)		10,000,000,000	100,000
Increase in authorised shares	(c)	90,000,000,000	900,000
Share consolidation	(d)	(90,000,000,000)	–
At 31 March 2025			
(10,000,000,000 ordinary shares of HK\$0.1 each)		10,000,000,000	1,000,000
Issued and fully paid:			
At 1 April 2023 (ordinary shares of HK\$0.01 each)			
Issue of consideration shares	(a)	7,177,296,401	71,773
		452,666,666	4,527
At 31 March 2024 and 1 April 2024 (ordinary shares of HK\$0.01 each)			
Placing of shares	(b)	7,629,963,067	76,300
Share consolidation	(d)	1,709,111,726	33,572
		(8,240,360,112)	–
Issue shares under Rights Issue	(e)	544,294,055	54,429
Issue of consideration shares	(f)	93,786,894	9,379
At 31 March 2025 (ordinary shares of HK\$0.1 each)			
		1,736,795,630	173,680

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

34. Share Capital *(Continued)*

During the years ended 31 March 2025 and 2024, the movements in the Company's share capital are as follows:

- (a) On 31 August 2023, 452,666,666 new ordinary shares of HK\$1.54 each of the Company were issued as the second tranche consideration shares for the acquisition of 70% equity interest in FGA Holdings Limited. Share capital and share premium of approximately HK\$4,527,000 and HK\$692,580,000 respectively were recorded.
- (b) On 26 April 2024, a total of 1,525,992,613 ordinary shares were issued upon placing at an aggregate consideration of approximately HK\$89,720,000 of which approximately HK\$15,260,000 was credited to share capital and the remaining balance of approximately HK\$74,460,000 was credited to the share premium account.

On 23 September 2024, a total of 183,119,113 ordinary shares were issued upon placing at an aggregate consideration of approximately HK\$74,253,000 of which approximately HK\$18,312,000 was credited to share capital and the remaining balance of approximately HK\$55,941,000 was credited to the share premium account.

- (c) During the year ended 31 March 2025, the Company increased the authorised share capital from HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each ("Share(s)") to HK\$1,000,000,000 divided into 100,000,000,000 Shares by creation of an additional of 90,000,000,000 new Shares, which became effective on 22 August 2024.
- (d) During the year ended 31 March 2025, the Group carried out the share consolidation pursuant to which every ten existing shares consolidated into one consolidated share with effect on 2 September 2024.
- (e) On 8 January 2025, a total of 544,294,055 ordinary shares were issued upon rights issue at an aggregate consideration less the professional fee is approximately HK\$413,076,000 of which approximately HK\$54,429,000 was credited to share capital and the remaining balance of approximately HK\$358,647,000 was credited to the share premium account.
- (f) On 11 February 2025, 93,786,894 new ordinary shares of HK\$0.73 each of the Company were issued as the consideration shares for the acquisition of 6,000,000 shares of Youngtimers AG. Share capital and share premium of approximately HK\$9,379,000 and approximately HK\$59,086,000 respectively were recorded.

35. Pledge of Assets

The Group pledged plant and machinery with amount before impairment of DKK5,612,000 (equivalent to approximately HK\$6,354,000) and inventories of DKK10,579,000 (equivalent to approximately HK\$11,979,000) to secure banking facilities granted to the Group for the year ended 31 March 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

36. Disposal of Subsidiaries

During the year ended 31 March 2025, the Group entered into agreements with certain independent third parties to dispose of all the interests in Kingkey Capital Limited ("Kingkey Capital") and Kingkey Privilege Management Service Limited ("KPMS") with consideration HK\$1 and HK\$1 respectively. Kingkey Capital was engaged in trading business and KPMS was engaged in provision of management services.

The aggregate net assets and liabilities of the subsidiaries disposed of during the current period and the financial impacts are summarised as follows:

	Kingkey Capital HK\$'000	KPMS HK\$'000
Right-of-use assets	–	2,243
Other receivable, deposits and prepayments	–	580
Cash and cash equivalents	1	500
Others payables and accruals	–	(927)
Lease liabilities	–	(2,451)
Tax payables	(37)	–
Net liabilities disposed of	(36)	(55)
Gain on disposal of subsidiaries	36	55
Consideration	–	–
Analysis of cash and cash equivalents in respect of the disposal:		
Cash consideration	–	–
Less: Cash and cash equivalents disposed of	(1)	(500)
Net cash outflow on disposal of subsidiaries	(1)	(500)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

37. Share Award Scheme

On 14 September 2018 (the “Adoption Date”), the Company has entered into a trust deed (the “Trust Deed”) with Core Pacific-Yamaichi International (H.K.) Nominees Limited (the “Trustee”) to set up a trust for the share award scheme (the “Scheme”) and the Trustee will exercise its powers to purchase Shares to be held upon the Trust pursuant to the rules relating to the Scheme Rules and the Trust Deed. To the best of knowledge of the Directors, information and belief, after having made all reasonable enquiries, the Trustee and its ultimate beneficial owners are independent third parties of the Company and its connected persons under the definitions of Chapter 14 of the Listing Rules.

Pursuant to the terms of the Scheme, the remuneration committee of the Company (“Remuneration Committee”) and the Board shall determine the number of Shares to be purchased by the Trustee out of cash paid by the Company by way of settlement to the Trustee (the “Awarded Shares”) awarded by the Board to be awarded to the employees selected by the Remuneration Committee and the Board (the “Selected Employees”). Subject to the absolute discretion of the Board, the Awarded Shares (where the Board has determined such number pursuant to the terms of the Scheme) shall be acquired by the Trustee from open market by utilising the Company’s resources provided to the Trustee.

The Scheme does not constitute a share option scheme or an arrangement analogous to a share option scheme for the purpose of Chapter 17 of the Listing Rules. No Shareholders’ approval is required to adopt the Scheme.

The purposes of the Scheme are to recognise the contributions by the Selected Employees and give incentives to them in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

Subject to any early termination as may be determined by the Board pursuant to the terms of the Scheme, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

The Remuneration Committee and the Board shall not make any further award of Shares which will result in the aggregate number of Shares awarded by the Board throughout the duration of the Scheme to be in excess of 5% of the issued share capital of the Company as at the Adoption Date. The maximum aggregate number of the Awarded Shares which may be awarded to a Selected Employee under the Scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date. As at the date of the Adoption Date, the number of issued Shares of the Company is 4,615,489,735 Shares.

Detail of the Scheme were set out in the Company’s announcement dated 14 September 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

37. Share Award Scheme (Continued)

The Company had not granted any awards under its Share Award Scheme, and the scheme has been terminated with immediate effect during the year ended 31 March 2025.

In connection with the termination, the trustee appointed under the Scheme has disposed of a total of 59,620,000 shares of the Company in the open market, realising aggregate proceeds of approximately HK\$5,179,000.

Movements of Awarded Shares purchased are as follows:

	Number of shares purchased '000	Cost of Purchase HK\$'000
At 1 April 2023, 31 March 2024 and 1 April 2024	59,620	53,845
Shares sale to the market during the year	(59,620)	(53,845)
At 31 March 2025	—	—

38. Retirement Benefit Plans

The Group operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) for all its qualifying employees in Hong Kong under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme were held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees were each required to make contributions to the scheme at rates specified in the rules. The only obligation of the Group with respect of MPF Scheme was to make the required contributions under the scheme. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at 5% of the employee’s relevant income subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

The total cost recognised in profit or loss of HK\$912,000 (2024: HK\$1,005,000) represent contributions paid to the MPF Scheme by the Group in respect of the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

38. Retirement Benefit Plans *(Continued)*

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. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's employer contributions vest fully with the employees when contributed in the central pension scheme. The Group has no forfeiture of pension scheme contributions (i.e. contributions processed by the employer on behalf of the employee who has exited the scheme prior to vesting of such contributions). As at 31 March 2025, no forfeited contribution under the pension scheme of the Group is available for deduction of contribution payable in coming years.

The total cost recognised in profit or loss of RMB4,000 (approximately HK\$4,000) (2024: RMB64,000 (approximately HK\$69,000)) represent contributions paid to the central pension scheme by the Group in respect of the current year.

Pursuant to the relevant labour rules and regulations in Denmark, the Group participates in a pension fund scheme organised by the local government, whereby the Group is required to make contributions to the pension fund scheme at certain percentage of the employees' relevant basic salaries.

The total cost recognised in profit or loss of DKK14,000 (equivalent to approximately HK\$16,000) (2024: DKK44,000 (equivalent to approximately HK\$50,000)) represent contributions paid to the pension fund scheme by the Group in respect of the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

39. Related Party Transactions

(a) Transactions with related parties

During the year, the Group entered into the following transactions with related parties. The transactions were carried out at estimated market prices determined by the directors of the Company.

Name of related party	Nature of transaction	2025 HK\$'000	2024 HK\$'000
Kingkey Enterprise Hong Kong Limited and KK Culture Holdings Limited (Notes 1, 2, 3, 4)	Rental expenses of premise and utilities expenses	–	(4,068)
Kingkey Enterprise Hong Kong Limited and KK Culture Holdings Limited (Notes 2, 3)	Utilities income	–	38
Kingkey Intelligence Culture Holdings Limited and Kingkey E-commerce Limited (Note 5)	Management services income	–	202
Energetic Force Investments Limited and its subsidiaries (Note 6)	Sub-license fee	118	2,686
	Share profit for event management	–	1,359
Sky Asia Contraction Engineering Limited (Note 7)	Chartering expenses	1,500	900
	Repair and maintenance expenses	289	–

Notes:

- (1) The transaction also constituted a continuing connected transaction or connected transaction under the Listing Rules.
- (2) Kingkey Enterprise Hong Kong Limited is wholly owned by Mr. Chen Jiarong, brother of Mr. Chen Jiajun, who is considered as a related company to the Group.
- (3) Mr. Chen Jiajun is the substantial shareholder of KK Culture Holdings Limited. Therefore, KK Culture Holdings Limited is considered as a related company of the Group.
- (4) The amounts were actual amounts paid to the related parties.
- (5) Mr. Chen Jiajun is the indirect substantial shareholder of Kingkey Intelligence Culture Holdings Limited and Kingkey E-commerce Limited. Therefore, Kingkey Intelligence Culture Holdings Limited and Kingkey E-commerce Limited are considered as related companies of the Group.
- (6) Energetic Force Investments Limited is the shareholder of FGA Holdings Limited, a non-wholly owned subsidiary of the Company.
- (7) Sky Asia Contraction Engineering Limited is an associate of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

39. Related Party Transactions (Continued)

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year were as follow:

	2025 HK\$'000	2024 HK\$'000
Short-term benefits	4,227	3,071
Post-employment benefits	36	36
	4,263	3,107

The remuneration of directors and key executives is determined by the Board and reviewed by the remuneration committee having regard to the performance of individuals and market trends.

(c) Amounts due from (to) related companies

The analysis of amounts due from related companies is as follow:

Name of related companies	Maximum balance outstanding during the year HK\$'000	2025 HK\$'000	2024 HK\$'000
Easy Sino Investments Limited (Notes (1), (4))	2,723	–	2,723
Sun Long Investment Management Limited (Notes (2), (4))	63	6	63
Sun Long Fund SPC (Notes (2), (4))	266	–	266
		6	3,052

The analysis of amount due to a related company is as follow:

Name of related company	2025 HK\$'000	2024 HK\$'000
Kingkey Enterprise Hong Kong Limited (Notes (3), (4))	–	294
	–	294

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

39. Related Party Transactions *(Continued)*

(c) Amount due from (to) related companies *(Continued)*

Notes:

- (1) Mr. Chen Jiajun is the indirect substantial shareholder of Easy Sino Investments Limited. Therefore, Easy Sino Investments Limited is considered as a related company of the Group.
- (2) Sun Long Investment Management Limited and Sun Long Fund SPC are wholly owned by Mr. Chen Jiajun and therefore, they are considered as related companies to the Group.
- (3) Kingkey Enterprise Hong Kong Limited is wholly owned by Mr. Chen Jiarong, brother of Mr. Chen Jiajun, who is considered as a related company to the Group.
- (4) All amounts are unsecured, interest free and repayable on demand.

(d) Personal guarantee for corporate bonds

As at 31 March 2025, no corporate bonds was secured by related party (2024: HK\$3,000,000, as disclosed in Note 32 to the consolidated financial statements, were secured by personal guarantee from Mr. Chen Jiajun).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

40. Capital Risk Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through optimisation of the debt and equity balance. The Group's overall strategy remained unchanged as compared to that in prior year.

The capital structure of the Group consists of net debts, which includes other borrowings and corporate bonds, disclosed in Notes 29 and 32 to the consolidated financial statements respectively, net of cash and cash equivalents and equity attributable to the owners of the Company, comprising issued share capital, share premium and reserves.

The directors of the Company review the capital structure periodically. The directors of the Company consider the cost of capital and the risks associated with each class of capital will balance its overall capital structure through the payment of dividends, issuance of new shares as well as issuance of new debts or redemption of existing debts. No changes were made in the objectives, policies or processes as compared to those in prior years.

The Group is not subject to any externally imposed capital requirements except for certain subsidiaries which are regulated entities under the SFO and subject to the relevant minimum paid-up share capital and minimum liquid capital requirements under the Hong Kong Securities and Futures (Financial Resources) Rules (the "SF(FR)R"). The management closely monitors, on a daily basis, the capital level of these entities to ensure compliance with the minimum capital requirements under the SF(FR)R.

The management calculated the gearing ratio at the year ended as follows:

	2025 HK\$'000	2024 HK\$'000
Total borrowings:		
Other borrowings	24,500	38,329
Corporate bonds	47,617	112,799
	72,117	151,128
Total equity	879,919	405,015
Gearing ratio	8.20%	37.31%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies

Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets at FVTPL	183,313	150,582
Financial assets at FVTOCI	38,542	22,729
Financial assets at amortised cost:		
– Trade and other receivables and deposits (excluding prepayments)	209,368	124,043
– Loan receivables	424,781	167,304
– Amounts due from related companies	6	3,052
– Bank balances held on behalf of clients	158,500	194,167
– Bank balances and cash	151,026	118,552
	1,165,536	780,429

	2025 HK\$'000	2024 HK\$'000
Financial liabilities		
Financial liabilities at amortised cost:		
– Trade and other payables (excluding contract liabilities)	199,717	265,594
– Amount due to a former director	34	34
– Amount due to a shareholder	16,625	16,625
– Amount due to a related company	–	294
– Other borrowings	24,500	38,329
– Lease liabilities	4,083	8,441
– Corporate bonds	47,617	112,799
	292,576	442,116

Financial risk management objectives and policies

The Group's major financial instruments include items disclosed above under section "Categories of financial instruments". Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Market risk

(a) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to trade receivables arising from cash and margin clients, bank balances and trade payables to cash and margin clients. The Group's cash flow interest rate risk is mainly related to the fluctuation of prevailing rate quoted by the banks arising from the Group's interest-bearing financial instruments. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group is not exposed to fair value interest rate risk in relation to the fixed-rate corporate bonds, loan receivables, other borrowings and lease liabilities. The management will monitor its exposure periodically.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk section of this note.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bearing financial instruments. The analysis is prepared assuming the financial instruments outstanding at the end of reporting period were outstanding for the whole year. A 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax result for the year ended 31 March 2025 would decrease/increase by HK\$5,000 (2024: increase/decrease by HK\$255,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Market risk *(Continued)*

(b) Foreign currency risk

The Group carries out its fur skin brokerage business and mink farming business in Denmark and most of the transactions are denominated in US\$ and DKK, while business of assets management, securities, insurance brokerage and money lending are carried out mainly in Hong Kong and all the transactions are entered in HK\$ primarily. The business of membership and event, insurance technology and network and licensing are carried out mainly in the PRC and all the transactions are entered in RMB primarily.

To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors the exposure to foreign currency risk. The management of the Group may enter into foreign currency forward contracts to hedge the exposure to foreign currency risk. As the HK\$ is pegged to the US\$, the Group considers the risk of movements in exchange rates between the HK\$ and the US\$ to be insignificant.

At the end of the reporting period, the carrying amount of the Group's monetary assets and monetary liabilities denominated in currencies other than the functional currency of the Company are as follows:

	Assets		Liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
DKK	–	89	–	–
US\$	133,876	109,214	(9,086)	(12,943)
AUD	150	21,304	–	–
CHF	37,182	–	–	–
EUR	57	57	–	–
RMB	98	99	(1)	(1,629)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Market risk *(Continued)*

(b) Foreign currency risk *(Continued)*

Sensitivity analysis

	2025		2024	
	Increase (decrease) in foreign exchange rates	Effect on profit after tax HK\$'000	Increase (decrease) in foreign exchange rates	Effect on profit after tax HK\$'000
DKK	10%	–	10%	7
	(10%)	–	(10%)	(7)
AUD	10%	13	10%	1,779
	(10%)	(13)	(10%)	(1,779)
EUR	10%	5	10%	5
	(10%)	(5)	(10%)	(5)
CHF	10%	3,105	10%	–
	(10%)	(3,105)	(10%)	–
RMB	10%	8	10%	(128)
	(10%)	(8)	(10%)	128

The sensitivity analysis has been determined assuming that the changes in foreign exchange rates had occurred at the end of each reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of each reporting period does not reflect the exposure during the years ended 31 March 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Market risk *(Continued)*

(c) Equity price risk

The Group is exposed to equity price risk through its investments which are classified as financial assets at FVTPL and FVTOCI with the underlying assets are listed equity securities. The fair value of these financial instruments will be affected either positively or negatively, amongst others, by the changes in the quoted closing prices in active market of the listed equity securities or fair value of the unlisted investments. The Group's listed investments are listed on the Stock Exchange or Australian Securities Exchange. Listed investments held in the portfolio have been chosen based on their longer-term growth potential and are monitored regularly for performance against expectations. The management manages this risk exposure by maintaining a portfolio of investments with different risk and return profiles.

Sensitivity analysis

For the year ended 31 March 2025, if the price of the equity instruments had been 5% (2024: 5%) higher/lower, the Group's post-tax profit would increase/decrease by HK\$1,000 (2024: HK\$1,000) as a result of the changes in fair value of financial assets at FVTPL, while the other comprehensive income would increase/decrease by HK\$1,613,000 (2024: increase/decrease by HK\$949,000) as a result of the changes in fair value of financial assets at FVTOCI.

Credit risk and impairment assessment

At the respective reporting dates, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The risk management department is responsible for developing and maintaining the processes for measuring ECL in accordance with the impairment requirements under HKFRS 9. ECL are assessed by the Group periodically. The Group applies simplified approach to measure ECL on trade receivables (except for trade receivables arising from margin clients); and general approach to measure ECL on trade receivables arising from margin clients, loan receivables, other receivables, deposits, bank balance held on behalf of clients, bank balances and amounts due from related companies. Under the simplified approach, the Group measures the loss allowance at an amount equal to lifetime ECL. Under the general approach, financial assets migrate through the following three stages based on the change in credit risk since initial recognition: Stage 1: 12m ECL, Stage 2: Lifetime ECL – not credit-impaired and Stage 3: Lifetime ECL – credit-impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Definition of Stage 1, Stage 2 and Stage 3 are as below:

Internal recognition credit rating	Description	Basis of ECL provision
Stage 1	There has not been a significant increase in credit risk since initial recognition and are not credit-impaired upon origination.	12m ECL
Stage 2	There has been a significant increase in credit risk since initial recognition but are not credit-impaired.	Lifetime ECL – not credit-impaired
Stage 3	There is objective evidence of impairment as at the reporting date.	Lifetime ECL – credit-impaired

The credit risk on bank balances (including segregated account and house account) is limited because the counterparties are reputable bank located in Hong Kong and Denmark.

For the year ended 31 March 2025, the Group has concentration of credit risk where 15% (2024: 37%) and 37% (2024: 75%) of trade receivables were due from the Group's largest customer and three largest customers respectively. All the three largest customers are margin clients from securities business.

Fur skin brokerage business and mink farming business

In order to minimise the credit risk of trade receivables from fur skin brokerage business and mink farming business (collectively refer to the "fur business"), the management of the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Securities brokerage business

The credit risk from securities brokerage business is primarily attributable to trade receivables due from clients and clearing house without taking account of the value of any collateral obtained. The management of the regulated entity has a credit policy and a team to monitor the credit risk on an on-going basis.

In order to manage the credit risk on trade receivables due from clients, individual credit evaluation is performed on all clients including cash and margin clients. Trade receivables from cash clients are generally settled within two trading days after trade date. In order to minimise the credit risk, the regulated entity has put in place monitoring procedures to ensure that overdue debts are recovered promptly. Accordingly, the credit risk arising from the trade receivables due from cash clients is considered minimal.

For margin clients, the regulated entity normally obtains liquid securities and/or cash deposits as collateral based on the margin requirements. The margin requirement is closely monitored on a daily basis by the designated team. Market conditions and adequacy of securities collateral and margin deposits of each margin account are monitored by the management of the regulated entity on a daily basis. Margin calls and forced liquidation are made where necessary. In addition, the regulated entity reviews the recoverable amount of each individual receivable at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

In this regard, the management of the Group considers that the credit risk arising from securities brokerage business is significantly reduced.

In respect of trade receivables from clearing house, credit risk is considered low as the regulated entity normally enters into transactions with a clearing house which is registered with a regulatory body.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Securities brokerage business *(Continued)*

ECL allowance for trade receivables arising from margin clients

Analysis of the gross carrying amount of trade receivables arising from margin clients is as follows:

	12m Stage 1 HK\$'000	Lifetime Stage 2 HK\$'000	Lifetime Stage 3 HK\$'000	Total HK\$'000
As at 1 April 2023	237,260	–	32,886	270,146
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	(122,035)	–	122,035	–
Additions	36,994	–	1,624	38,618
Repayments	(151,011)	–	(458)	(151,469)
As at 31 March 2024 and 1 April 2024	1,208	–	156,087	157,295
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Additions	25,509	–	87,254	112,763
Repayments	(1,844)	–	(47,026)	(48,870)
As at 31 March 2025	24,873	–	196,315	221,188

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Securities brokerage business *(Continued)*

ECL allowance for trade receivables arising from margin clients *(Continued)*

Analysis of the ECL allowance for trade receivables arising from margin clients is as follows:

	12m Stage 1 HK\$'000	Lifetime Stage 2 HK\$'000	Lifetime Stage 3 HK\$'000	Total HK\$'000
As at 1 April 2023	735	–	28,557	29,292
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	(73,375)	–	73,375	–
Recoveries	(965)	–	(122)	(1,087)
Net remeasurement of ECL arising from transfer of stage	62,411	–	5,400	67,811
New lending	11,194	–	–	11,194
As at 31 March 2024 and 1 April 2024	–	–	107,210	107,210
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Recoveries	–	–	(22,595)	(22,595)
Provision for the year	–	–	33,091	33,091
Written-off	–	–	(458)	(458)
As at 31 March 2025	–	–	117,248	117,248

ECL allowance for trade receivables arising from cash clients and clearing house

For the trade receivables arising from cash clients and clearing house, there has not been a significant increase in credit risk since its initial recognition and are not credit-impaired at the end of reporting period. For the year ended 31 March 2025, the Group assessed the ECL for trade receivable arising from cash clients, no impairment loss was recognised in profit or loss (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Membership and event business

The Group applies a simplified approach in calculating ECL for trade receivables from membership and event business and recognises loss allowances based on lifetime ECL at each reporting date. The management estimated the expected credit losses taking into account the historical credit loss experience and market credit loss rate, adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables.

In order to minimise the credit risk of trade receivables from membership and event business, the management of the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts.

The information about the exposure to credit risk and ECL for trade receivables at 31 March 2025 and 2024 is summarised as follows:

2025	Expected loss rate	Gross carrying amount HK\$'000	Loss allowances HK\$'000
Not past due	–	–	–
Within 30 days past due	–	–	–
31 to 90 days past due	–	–	–
Over 90 days past due	41.15%	9,409	3,872
		9,409	3,872

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Membership and event business *(Continued)*

2024	Expected loss rate	Gross carrying amount HK\$'000	Loss allowances HK\$'000
Not past due	—	—	—
Within 30 days past due	7.35%	1,564	115
31 to 90 days past due	8.26%	533	44
Over 90 days past due	28.20%	9,454	2,666
		11,551	2,825

The Group does not hold any collateral over trade receivables at 31 March 2025 and 2024.

Assets management business

In order to minimise the credit risk of trade receivables from assets management business, the management of the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Network and licensing, insurance technology and trading businesses

The Group applies a simplified approach in calculating ECL for trade receivables from network and licensing, insurance technology and trading businesses and recognises loss allowances based on lifetime ECL at each reporting date. The management estimated the expected credit losses taking into account the historical credit loss experience and market credit loss rate, adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Network and licensing, insurance technology and trading businesses *(Continued)*

In order to minimise the credit risk of trade receivables from network and licensing, insurance technology and trading businesses, the management of the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts.

The information about the exposure to credit risk and ECL for trade receivables at 31 March 2025 and 2024 is summarised as follows:

2025	Expected loss rate	Gross carrying amount HK\$'000	Loss allowances HK\$'000
Not past due	3.99%	2,332	93
Within 30 days past due	—	—	—
31 to 90 days past due	—	—	—
Over 90 days past due	100%	13,953	13,953
		16,285	14,046

2024	Expected loss rate	Gross carrying amount HK\$'000	Loss allowances HK\$'000
Not past due	—	1,238	—
Within 30 days past due	—	—	—
31 to 90 days past due	—	—	—
Over 90 days past due	25.08%	18,457	4,629
		19,695	4,629

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Money lending business

In respect of loan receivables from clients, the objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem. It is the Group's policy that all clients who wish to obtain loans from the Group are subject to management review. Receivable balances are monitored on an ongoing basis, the management makes periodic individual assessment on the recoverability of loans receivables based on creditworthiness of customers, historical payment records, the length of the overdue period, the financial strength of the debtors, loan-to-collateral ratio and any other qualitative factors and 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 exposure to credit risk is influenced mainly by the individual characteristics of each client rather than the industry or country in which the clients operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual clients. As at 31 March 2025, 17% (2024: 34%) and 38% (2024: 76%) of the total loan receivables due from clients were from the Group's largest client and the three largest clients respectively.

ECL allowance for loan receivables

Analysis of the gross carrying amount of loan receivables is as follows:

	12m Stage 1 HK\$'000	Lifetime Stage 2 HK\$'000	Lifetime Stage 3 HK\$'000	Total HK\$'000
As at 1 April 2023	–	88,608	3,826	92,434
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	(55,938)	55,938	–
Additions	–	125,032	7,828	132,860
Repayments	–	(13,901)	(2,630)	(16,531)
As at 31 March 2024 and 1 April 2024	–	143,801	64,962	208,763
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	502	(502)	–
Transfer to stage 3	–	(110,079)	110,079	–
Additions	–	285,400	28,961	314,361
Repayments	–	(9,518)	(20,523)	(30,041)
As at 31 March 2025	–	310,106	182,977	493,083

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies (Continued)

Credit risk and impairment assessment (Continued)

Money lending business (Continued)

ECL allowance for loan receivables (Continued)

Analysis of the ECL allowance for loan receivables is as follows:

	12m Stage 1 HK\$'000	Lifetime Stage 2 HK\$'000	Lifetime Stage 3 HK\$'000	Total HK\$'000
As at 1 April 2023	–	2,918	2,609	5,527
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	(2,347)	2,347	–
Provision for the year	–	6,631	30,721	37,352
Recoveries	–	(7)	(1,413)	(1,420)
As at 31 March 2024 and 1 April 2024	–	7,195	34,264	41,459
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	(4,668)	4,668	–
(Reversal)/provision for the year	–	(547)	50,571	50,024
Recoveries	–	(509)	(22,672)	(23,181)
As at 31 March 2025	–	1,471	66,831	68,302

ECL allowance for other receivables, deposits and amounts due from related companies

For other receivables, deposits and amounts due from related companies, the management of the Group makes periodic individual assessment on the recoverability of other receivables based on historical settlement records, past experience, and also reasonable and supportive forward-looking information since initial recognition. For the year ended 31 March 2025, the Group assessed the ECL for other receivables, the management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance of other receivables, deposits and amounts due from related companies and the Group has recognised a provision for the net impairment loss of HK\$5,215,000 (2024: HK\$585,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

ECL allowance for other receivables, deposits and amounts due from related companies *(Continued)*

Analysis of the ECL allowance for other receivables, deposits and amounts due from related companies is as follows:

	12m Stage 1 HK\$'000	Lifetime Stage 2 HK\$'000	Lifetime Stage 3 HK\$'000	Total HK\$'000
As at 1 April 2023	–	–	–	–
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Provision for the year	–	585	–	585
As at 31 March 2024 and 1 April 2024	–	585	–	585
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	(366)	366	–
Provision for the year	–	2,144	3,071	5,215
Exchange difference	–	–	(3)	(3)
As at 31 March 2025	–	2,363	3,434	5,797

ECL allowance for bank balances held on behalf of clients and bank balances

Credit risk on bank balances held on behalf of clients and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit.

Liquidity risk

The Group monitors its current and expected liquidity requirements regularly and ensures sufficient liquid cash and adequate committed lines of funding from reputable financial institutions are available to meet the Group's liquidity requirements in the short and long term.

At 31 March 2025, the Group had no banking facilities (2024: approximately HK\$34 million in which the Group has not utilised of the facilities).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies (Continued)

Liquidity risk (Continued)

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the agreed repayment date.

	2025						
	Interest rate %	On demand HK\$'000	Within 1 year HK\$'000	1 year to 2 years HK\$'000	3 years to 5 years HK\$'000	Total	Carrying amount HK\$'000
						undiscounted cash flows HK\$'000	
Financial liabilities							
Trade and other payables	-	199,717	-	-	-	199,717	199,717
Amount due to a former director	-	34	-	-	-	34	34
Amount due to a shareholder	-	16,625	-	-	-	16,625	16,625
Other borrowings	6.0–10.0	-	25,365	-	-	25,365	24,500
Lease liabilities	3.6–6.5	-	3,651	564	-	4,215	4,083
Corporate bonds	6.0–7.5	-	38,736	11,349	-	50,085	47,617
		216,376	67,752	11,913	-	296,041	292,576
	2024						
	Interest rate %	On demand HK\$'000	Within 1 year HK\$'000	1 year to 2 years HK\$'000	3 years to 5 years HK\$'000	Total	Carrying amount HK\$'000
						undiscounted cash flows HK\$'000	
Financial liabilities							
Trade and other payables	-	265,594	-	-	-	265,594	265,594
Amount due to a former director	-	34	-	-	-	34	34
Amount due to a related company	-	294	-	-	-	294	294
Amount due to a shareholder	-	16,625	-	-	-	16,625	16,625
Other borrowings	8.0–24.0	-	40,037	-	-	40,037	38,329
Lease liabilities	3.6–6.5	-	5,754	3,040	-	8,794	8,441
Corporate bonds	6.0–7.5	-	80,606	22,623	16,469	119,698	112,799
		282,547	126,397	25,663	16,469	451,076	442,116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

41. Financial Risk Management Objectives and Policies (Continued)

Fair value

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial asset/ Financial liability	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
	31.03.2025	31.03.2024					
Financial assets at fair value through profit or loss	Unlisted funds HK\$108,385,000	Unlisted funds HK\$67,327,000	Level 2	Based on the net asset value with reference to the prices of underlying investment portfolio quoted by fund administrator.	N/A	N/A	N/A
	Listed United States equity securities HK\$75,000	Listed United States equity securities HK\$25,000	Level 1	Quoted bid prices in an active market.	N/A	N/A	N/A
	Unlisted equity HK\$74,853,000	Unlisted equity HK\$83,230,000	Level 3	Based on the net asset value with reference to the market price of the land use right.	Unit price per square meter	RMB3,350 to RMB8,000 (2024: RMB3,100 to RMB10,000)	Increase/(decrease) in unit price per square meter would result in increase/ (decrease) in fair value
Financial assets at fair value through other comprehensive income	Listed Hong Kong equity securities HK\$1,210,000	Listed Hong Kong equity securities HK\$1,425,000	Level 1	Quoted bid prices in an active market.	N/A	N/A	N/A
	Listed Australian equity securities HK\$150,000	Listed Australian equity securities HK\$21,304,000	Level 1	Quoted bid prices in an active market.	N/A	N/A	N/A
	Listed Switzerland equity securities HK\$317,182,000	Listed Switzerland equity securities Nil	Level 1	Quoted bid prices in an active market.	N/A	N/A	N/A

There were no transfers between Level 1, 2 and 3 in both years.

The disclosures set out in the tables below include financial assets and financial liabilities that:

- are offset in the Group's consolidated statement of financial position; or
- are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments, irrespective of whether they are offset in the Group's consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

42. Offsetting Financial Assets and Financial Liabilities

The Group currently has a legally enforceable rights to set off the trade receivables arising from clearing house, cash clients and margin clients and the trade payables to them respectively, and it intends to settle on a net basis.

For the trade receivable or payable to cash clients, they do not meet the criteria for offsetting in the consolidated statement of financial position since the rights of set-off of the recognised amounts is only enforceable following an event of default. If addition, the Group does not intend to settle the balances on a net basis.

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements

The gross amounts of the recognised financial assets and financial liabilities and their net amounts as presented in the Group's consolidated statement of financial position are as follows:

	Gross amounts of recognised financial liabilities/ Gross amounts of recognised financial assets/ liabilities HK\$'000	assets set off in the consolidated statement of financial position HK\$'000	Net amounts presented in the consolidated statement of financial position HK\$'000	Related amounts not set off in the consolidated statement of financial position		Net amount HK\$'000
				Financial instruments HK\$'000	Financial collateral pledged HK\$'000	
As at 31 March 2025						
Financial assets						
Trade receivables						
– Clearing house (Note 24)	310	(303)	7	–	–	7
– Cash clients (Note 24)	13	–	13	(4)	–	9
– Margin clients (Note 24)	221,695	(507)	221,188	–	(45,017)	176,171
– Brokers (Note 24)	6	–	6	–	–	6
	222,018	(810)	221,214	(4)	(45,017)	176,193
Financial liabilities						
Trade payables						
– Clearing house (Note 28)	303	(303)	–	–	–	–
– Cash clients (Note 28)	20,695	–	20,695	–	–	20,695
– Margin clients (Note 28)	138,113	(507)	137,606	–	–	137,606
	159,111	(810)	158,301	–	–	158,301

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

42. Offsetting Financial Assets and Financial Liabilities (Continued)

Financial assets subject to offsetting, enforceable master netting arrangements and similar agreements (Continued)

	Gross amounts of recognised financial liabilities/ assets set off in the consolidated statement of financial position	Gross amounts of recognised financial assets/ liabilities HK\$'000	Net amounts presented in the consolidated statement of financial position HK\$'000	Related amounts not set off in the consolidated statement of financial position	Financial collateral pledged HK\$'000	Net amount HK\$'000
		HK\$'000	HK\$'000	Financial instruments HK\$'000		
As at 31 March 2024						
Financial assets						
Trade receivables						
– Clearing house (Note 24)	12,233	(837)	11,396	–	–	11,396
– Cash clients (Note 24)	844	(840)	4	(2)	–	2
– Margin clients (Note 24)	157,312	(17)	157,295	–	(18,354)	138,941
– Brokers (Note 24)	6	–	6	–	–	6
	170,395	(1,694)	168,701	(2)	(18,354)	150,345
Financial liabilities						
Trade payables						
– Clearing house (Note 28)	837	(837)	–	–	–	–
– Cash clients (Note 28)	32,820	(840)	31,980	–	–	31,980
– Margin clients (Note 28)	171,727	(17)	171,710	–	–	171,710
	205,384	(1,694)	203,690	–	–	203,690

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

43. Particulars of Principal Subsidiaries

(a) General information of subsidiaries

Name of subsidiaries	Place of incorporation/ establishment	Paid up issued/ registered ordinary share capital HK\$/US\$/DKK/RMB	Percentage of equity attributable to the Company	Principal activities and place of operation
Loyal Speed Limited	British Virgin Islands	US\$100 (2024: US\$100)	100% (2024: 100%)	Provision of fur brokerage and financing services/Hong Kong
Trade Region Limited	British Virgin Islands	US\$2 (2024: US\$2)	100% (2024: 100%)	Investment holdings/Hong Kong
UKF (Denmark) A/S	Denmark	DKK500,000 (2024: DKK500,000)	100% (2024: 100%)	Mink farming/Denmark
Kingkey Finance Limited	Hong Kong	HK\$1,000,000 (2024: HK\$1,000,000)	100% (2024: 100%)	Money lending/Hong Kong
U.K. Fur Limited	British Virgin Islands	US\$10,000 (2024: US\$10,000)	100% (2024: 100%)	Trading of fur skins/Hong Kong
Kingkey Management Limited	Hong Kong	HK\$10,000 (2024: HK\$10,000)	100% (2024: 100%)	Operating expense/Hong Kong
Pearl Bay Investments Limited	British Virgin Islands	US\$1 (2024: US\$1)	100% (2024: 100%)	Investment holdings/Hong Kong
Kingkey Securities Group Limited	Hong Kong	HK\$200,000,000 (2024: HK\$200,000,000)	100% (2024: 100%)	Provision of securities brokerage service/Hong Kong
Apex Height Investments Limited	British Virgin Islands	US\$1 (2024: US\$1)	100% (2024: 100%)	Investment holdings/Hong Kong
Kingkey Asset Management Limited	Hong Kong	HK\$4,000,000 (2024: HK\$4,000,000)	100% (2024: 100%)	Provision of asset management services/Hong Kong
Kingkey Capital Limited	Hong Kong	HK\$1 (2024: HK\$1)	N/A (2024: 100%) (Note 4)	Investment holdings/Hong Kong
Noble Zenith International Limited	British Virgin Islands	US\$1 (2024: US\$1)	100% (2024: 100%)	Investment holdings/Hong Kong
Affluent Range Limited	British Virgin Islands	US\$1,335,000 (2024: US\$1,335,000)	100% (2024: 100%)	Investment holdings/Hong Kong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

43. Particulars of Principal Subsidiaries (Continued)

(a) General information of subsidiaries (Continued)

Name of subsidiaries	Place of incorporation/ establishment	Paid up issued/ registered ordinary share capital HK\$/US\$/DKK/RMB	Percentage of equity attributable to the Company	Principal activities and place of operation
Kingkey Privilege Wealth Management Limited	Hong Kong	HK\$3,600,000 (2024: HK\$3,600,000)	51% (2024: 51%) (Note 1)	Provision of wealth management services/Hong Kong
Kingkey Family Office Limited	Hong Kong	HK\$10,000 (2024: HK\$10,000)	100% (2024: 100%)	Inactive/Hong Kong
Kingkey Privilege Management Services Limited	Hong Kong	HK\$1 (2024: HK\$1)	N/A (2024: 100%) (Note 4)	Operating expense/Hong Kong
Kingkey Investment Fund SPC	Cayman Islands	US\$1 (2024: US\$1)	100% (2024: 100%)	Inactive/Cayman Islands
FGA Holdings Limited	British Virgin Island	US\$1 (2024: US\$1)	70% (2024: 70%)	Investment holding/Hong Kong
FGA (Hong Kong) Limited	Hong Kong	HK\$10,000 (2024: HK\$10,000)	70% (2024: 70%)	Investment holding/Hong Kong
福滙協源(上海)管理諮詢有限公司 FGA (China) Limited	The PRC	RMB24,640,000 (2024: RMB24,640,000)	70% (2024: 70%)	Membership business and event hosting/the PRC (Note 2)
Modern Ace Global Limited	British Virgin Island	US\$1 (2024: US\$1)	100% (2024: 100%)	Provision of multi channel network and licensing services
First Achiever BVI Ventures Limited	British Virgin Island	US\$250 (2024: US\$250)	60% (2024: 60%)	Investment holding/Hong Kong
寧波趣行智能科技有限公司 Ningbo Quxing Intelligent Technology Co., Ltd.	The PRC	RMB1,000,000 (2024: RMB1,000,000)	60% (2024: 60%)	Information technology services related to insurance business/ the PRC (Note 3)
北京銷鋒信息服務有限公司	The PRC	RMB1,500,000 (2024: RMB1,500,000)	60% (2024: 60%)	Information technology services/ the PRC (Note 3)

Notes:

- (1) During the year ended 31 March 2024, the Group has disposed 49% of equity interest of Kingkey Privilege Wealth Management Limited with consideration of HK\$1,660,000.
- (2) This Company is a wholly foreign-owned enterprise.
- (3) This Company is a wholly domestic-owned enterprise.
- (4) During the year ended 31 March 2025, the Group has disposed 100% of equity interest of Kingkey Capital Limited and Kingkey Privilege Management Services Limited.

None of the subsidiaries had any debt securities outstanding at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

44. Statement of Financial Position and Reserves of the Company

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Investment in subsidiaries	8,534	23,410
Financial assets at fair value through other comprehensive income	38,392	1,425
	46,926	24,835
Current assets		
Financial assets at fair value through profit or loss	75	25
Prepayment and other receivables	85,621	747
Amounts due from subsidiaries	763,305	513,691
Amounts due from related companies	–	323
Bank balances and cash	34,386	2,436
	883,387	517,222
Current liabilities		
Other payable and accruals	1,418	5,876
Amounts due to subsidiaries	47,505	45,775
Amounts due to a shareholder	16,625	16,625
Loan from a subsidiary	74,694	149,333
Other borrowings	23,500	35,700
Corporate bonds	36,471	75,814
	200,213	329,123
Net current assets	683,174	188,099
Total assets less current liabilities	730,100	212,934
Non-current liability		
Corporate bonds	11,000	36,352
	11,000	36,352
Net assets	719,100	176,582
Capital and reserve		
Share capital	173,680	76,300
Reserves	545,420	100,282
	719,100	176,582

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 26 June 2025 and are signed on its behalf by:

LEUNG SIU KEE
DIRECTOR

MONG CHEUK WAI
DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

44. Statement of Financial Position and Reserves of the Company (Continued)

Movement in the Company's reserves

	Share premium HK\$'000	Shares held for Share Award Scheme HK\$'000	Investments revaluation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023	1,759,754	(53,845)	(8,225)	(1,642,431)	55,253
Loss for the year	–	–	–	(647,201)	(647,201)
Other comprehensive expense for the year					
Fair value changes of financial assets at fair value through other comprehensive income	–	–	(350)	–	(350)
Total comprehensive expense for the year	–	–	(350)	(647,201)	(647,551)
Issues of consideration shares	692,580	–	–	–	692,580
At 31 March 2024 and 1 April 2024	2,452,334	(53,845)	(8,575)	(2,289,632)	100,282
Loss for the year	–	–	–	(76,677)	(76,677)
Other comprehensive expense for the year					
Fair value changes of financial assets at fair value through other comprehensive income	–	–	(31,498)	–	(31,498)
Total comprehensive expense for the year	–	–	(31,498)	(76,677)	(108,175)
Issues of consideration shares	59,086	–	–	–	59,086
Issues of shares under placing	130,401	–	–	–	130,401
Issues of shares under rights issue	358,647	–	–	–	358,647
Disposal of shares under Share Award Scheme	–	53,845	–	(48,666)	5,179
At 31 March 2025	3,000,468	–	(40,073)	(2,414,975)	545,420

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

45. Reconciliation of Liabilities Arising from Financing Activities

	Interest payables from financing activities	Other borrowings (Note 29)	Leases liabilities (Note 30)	Amount due to a former director (Note 31)	Amount due to a shareholder (Note 31)	Corporate bonds (Note 32)	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2023	1,801	86,775	9,000	977	6,500	108,033	213,086
Changes from financing cash flows:							
Raise	–	106,111	–	–	10,125	70,200	186,436
Repayments/Redemption	(9,007)	(154,341)	–	(943)	–	(65,434)	(229,725)
Capital element of lease rentals paid	–	–	(3,797)	–	–	–	(3,797)
Interest element of lease rentals paid	–	–	(339)	–	–	–	(339)
Other changes:							
Interest expenses	10,989	–	339	–	–	–	11,328
New lease	–	–	3,377	–	–	–	3,377
Exchange differences	–	(216)	(139)	–	–	–	(355)
At 31 March 2024 and 1 April 2024	3,783	38,329	8,441	34	16,625	112,799	180,011
Changes from financing cash flows:							
Raise	–	59,803	–	–	–	47,000	106,803
Repayments/Redemption	(10,342)	(73,632)	–	–	–	(112,182)	(196,156)
Capital element of lease rentals paid	–	–	(3,841)	–	–	–	(3,841)
Interest element of lease rentals paid	–	–	(275)	–	–	–	(275)
Other changes:							
Interest expenses	7,098	–	275	–	–	–	7,373
New lease	–	–	1,955	–	–	–	1,955
Disposal of subsidiaries	–	–	(2,451)	–	–	–	(2,451)
Exchange differences	–	–	(21)	–	–	–	(21)
At 31 March 2025	539	24,500	4,083	34	16,625	47,617	93,398

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2025

46. Litigation

Claims against Kingkey Securities Group Limited by Margin Clients

During the period from 22 January 2021 to 29 January 2021, Kingkey Securities Group Limited (“KKSG”), a wholly-owned subsidiary of the Company received five writs of summons issued in High Courts of Hong Kong by five different margin clients of KKSG, which claimed against KKSG for the cash balances with total sum of approximately HK\$54.3 million in the five margin accounts (which approximately HK\$47.3 million were frozen and restricted from securities trading under the restriction notice issued by the regulator) and equity securities held as collateral of the respective five margin clients (the “Claims”), maintained with KKSG. The directors of the Company are of the view that the Claims have no merit.

The directors of the Company consider that no further provision for the Claims is required as these margin clients had withdrawn approximately HK\$7 million during the year ended 31 March 2021 and the remaining amounts of the Claims of approximately HK\$47.3 million have already been recorded as liabilities in Note 28 to the consolidated financial statements.

47. Event After the Reporting Period

Except as disclosed elsewhere in the consolidated financial statements, the Company has the following significant event after the reporting period.

On 28 April 2025, the Company and Nobias Media Sarl has entered into the agreement to acquire 80% of issued equity of Jakota Capital AG with total consideration of HK\$103,000,000, which shall be satisfied by the issue and allotment of up to 705,479,452 consideration shares at the issue price of HK\$0.146 per consideration share. Further information are disclosed in the announcements of the Company published on 29 April 2025 and 28 May 2025.

48. Comparative Figures

The comparative figures in the consolidated statement of profit or loss and other comprehensive income and other notes have been represented as if the membership and event segment and tracking segment had been discontinued at the beginning of the comparative period.

FINANCIAL SUMMARY

For the year ended 31 March 2025

Results

	For the years ended 31 March				2025 HK\$'000 (re-presented)
	2021 HK\$'000 (re-presented)	2022 HK\$'000 (re-presented)	2023 HK\$'000 (re-presented)	2024 HK\$'000 (re-presented)	
Continuing operations					
Revenue	148,642	127,041	275,152	303,271	228,260
Loss before tax	(4,899)	(71,415)	(1,153,677)	(17,930)	(115,459)
Income tax (expense)/credit	(3,541)	(1,714)	550	6,526	(3,366)
Loss for the year from continuing operations	(8,440)	(73,129)	(1,153,127)	(11,404)	(118,825)
Discontinued operations					
Loss for the year from discontinued operations	–	–	(9,862)	(676,016)	(4,626)
Loss for the year	(8,440)	(73,129)	(1,162,989)	(687,420)	(123,451)
Loss for the year attributable to:					
Owners of the Company	(8,440)	(73,129)	(1,158,455)	(551,252)	(116,939)
Non-controlling interests	–	–	(4,534)	(136,168)	(6,512)
	(8,440)	(73,129)	(1,162,989)	(687,420)	(123,451)

Assets and Liabilities

	As at 31 March				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Total assets	915,575	1,316,260	1,784,307	866,601	1,185,339
Total liabilities	(489,749)	(525,969)	(1,410,469)	(461,586)	(305,420)
Non-controlling interests	–	–	(133,301)	1,082	7,453
Equity attributable to the owners of the Company	425,826	790,291	240,537	406,097	887,372