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**ROMA (META) GROUP LIMITED**

**羅馬(元宇宙)集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8072)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED  
(THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “Directors”) of Roma (meta) Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

\* For identification purposes only

## **FINANCIAL HIGHLIGHTS**

For the year ended 31 March 2023:

- Revenue decreased to approximately HK\$61.4 million, representing a decrease of approximately 32.8% as compared with that for the year ended 31 March 2022;
- Loss attributable to owners of the Company amounted to approximately HK\$29.4 million as compared to the loss of approximately HK\$34.9 million for the year ended 31 March 2022;
- Basic loss per share attributable to owners of the Company were HK\$0.04; and
- No final dividend has been declared.

## ANNUAL RESULTS

The board of Directors (the “Board”) announces the consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2023 together with the comparative figures for the preceding financial year as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 31 March 2023*

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	4	<b>61,385</b>	91,342
Other income, other gains and losses	6	<b>4,673</b>	8,748
Change in fair value of investment property	14	<b>(600)</b>	600
Employee benefit expenses	7	<b>(36,408)</b>	(43,358)
Depreciation and amortisation	8	<b>(5,114)</b>	(5,021)
Allowance for expected credit losses, net	8	<b>(30,414)</b>	(38,756)
Finance costs	9	<b>(7,069)</b>	(4,353)
Other expenses		<b>(16,182)</b>	(44,266)
<b>Loss before income tax</b>	8	<b>(29,729)</b>	(35,064)
Income tax (expense)/credit	10	<b>(25)</b>	200
<b>Loss and total comprehensive expense for the year</b>		<b>(29,754)</b>	(34,864)
<b>Loss and total comprehensive expense attributable to:</b>			
Owners of the Company		<b>(29,352)</b>	(34,864)
Non-controlling interests		<b>(402)</b>	–
		<b>(29,754)</b>	(34,864)
		<i>HK\$</i>	<i>HK\$</i>
<b>Loss per share attributable to owners of the Company</b>			
– Basic	12	<b>(0.04)</b>	(0.05)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	<i>13</i>	<b>7,816</b>	4,883
Investment property	<i>14</i>	<b>10,000</b>	10,600
Intangible assets	<i>15</i>	<b>1,506</b>	2,062
Goodwill	<i>16</i>	<b>4,253</b>	4,253
Loan and interest receivables	<i>18</i>	<b>38,893</b>	154,616
Deposit	<i>20</i>	<b>987</b>	1,286
Deferred tax assets		<b>–</b>	3
		<b>63,455</b>	177,703
<b>Current assets</b>			
Loan and interest receivables	<i>18</i>	<b>336,921</b>	230,122
Trade receivables	<i>19</i>	<b>5,386</b>	8,580
Prepayments, deposits and other receivables	<i>20</i>	<b>6,291</b>	3,147
Financial assets at fair value through profit or loss	<i>17</i>	<b>1,987</b>	–
Pledged bank deposits		<b>51,562</b>	56,564
Bank balances and cash – general accounts		<b>6,528</b>	8,423
Bank balances and cash – segregated accounts		<b>660</b>	673
Tax recoverable		<b>13</b>	33
		<b>409,348</b>	307,542
<b>Current liabilities</b>			
Trade payables	<i>21</i>	<b>1,873</b>	1,276
Accrued liabilities, other payables and contract liabilities	<i>22</i>	<b>33,082</b>	26,775
Lease liabilities	<i>23</i>	<b>2,419</b>	4,579
Interest-bearing borrowings	<i>24</i>	<b>89,213</b>	86,647
		<b>126,587</b>	119,277
<b>Net current assets</b>		<b>282,761</b>	188,265
<b>Total assets less current liabilities</b>		<b>346,216</b>	365,968

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 <i>HK\$'000</i>
<b>Non-current liabilities</b>			
Lease liabilities	23	<b>5,105</b>	28
Deferred tax liabilities		<b>214</b>	289
		<u><b>5,319</b></u>	<u>317</u>
<b>Net assets</b>		<u><b>340,897</b></u>	<u>365,651</u>
<b>EQUITY</b>			
Share capital	25	<b>7,021</b>	7,021
Reserves		<b>342,646</b>	358,630
		<u><b>349,667</b></u>	<u>365,651</u>
<b>Equity attributable to owners of the Company</b>		<b>349,667</b>	365,651
Non-controlling interests	26	<b>(8,770)</b>	–
		<u><b>340,897</b></u>	<u>365,651</u>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

	Attributable to owners of the Company						Subtotal	Non-controlling interests	Total equity
	Share capital	Shares held for share award plan*	Share premium*	Capital reserve*	Share option reserve*	Accumulated losses*			
	HK\$'000 (note 25)	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Balance as at 1 April 2021	1,755	–	579,738	10	1,354	(242,414)	340,443	–	340,443
Issue of shares upon rights issue	5,266	–	60,555	–	–	–	65,821	–	65,821
Share issuance expenses	–	–	(3,175)	–	–	–	(3,175)	–	(3,175)
Purchase of shares for the share award plan	–	(2,574)	–	–	–	–	(2,574)	–	(2,574)
Transactions with owners	5,266	(2,574)	57,380	–	–	–	60,072	–	60,072
Loss for the year	–	–	–	–	–	(34,864)	(34,864)	–	(34,864)
Total comprehensive expense	–	–	–	–	–	(34,864)	(34,864)	–	(34,864)
Balance as at 31 March 2022 and 1 April 2022	7,021	(2,574)	637,118	10	1,354	(277,278)	365,651	–	365,651
Lapse of share options	–	–	–	–	(1,354)	1,354	–	–	–
Partial disposal of interests in subsidiaries without loss of control (note 26)	–	–	–	13,368	–	–	13,368	(8,368)	5,000
Transactions with owners	–	–	–	13,368	(1,354)	1,354	13,368	(8,368)	5,000
Loss for the year	–	–	–	–	–	(29,352)	(29,352)	(402)	(29,754)
Total comprehensive expense	–	–	–	–	–	(29,352)	(29,352)	(402)	(29,754)
<b>Balance at 31 March 2023</b>	<b>7,021</b>	<b>(2,574)</b>	<b>637,118</b>	<b>13,378</b>	<b>–</b>	<b>(305,276)</b>	<b>349,667</b>	<b>(8,770)</b>	<b>340,897</b>

\* The total of these balances represents “Reserves” in the consolidated statement of financial position.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Roma (meta) Group Limited (the “Company”) is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands. During the year ended 31 March 2023, its principal places of business in Hong Kong was located at 22/F., China Overseas Building, 139 Hennessy Road, Wanchai, Hong Kong. Subsequent to the year ended 31 March 2023, the Company changed its principal place of business in Hong Kong to Room 1101-04, 11/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong effect from 17 April 2023. The principal activity of the Company is an investment holding company and its subsidiaries (collectively the “Group”) are principally engaged in the provision of valuation and advisory services, financing services and securities broking, placing and underwriting and investment advisory and asset management services.

The shares of the Company have been listed on the GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) by way of placing on 25 February 2013 (the “Listing Date”).

## 2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant to the Group for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

The application of the amendments to HKFRSs in the current year has 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 these consolidated financial statements.

### New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>3</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>3</sup> Effective for annual periods beginning on or 1 January 2024.

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

#### **Amendments to HKAS 1 “Classification of Liabilities as Current or Non-current and related amendments to Hong Kong interpretation 5 (2020)”**

The 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:
  - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
  - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that 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”.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

#### **Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”**

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies. The impacts of application, if any, will be disclosed in the Group’s future consolidated financial statements.



## **Amendments to HKAS 8 “Definition of Accounting Estimates”**

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty — that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

### **3. BASIS OF PREPARATION AND PRESENTATION**

#### **3.1 Statement of compliance**

The consolidated financial statements for the year ended 31 March 2023 (the “Consolidated Financial Statements”) have been prepared in accordance with HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA and the accounting principles generally accepted in Hong Kong.

For the purpose of preparation of the Consolidated Financial Statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Consolidated Financial Statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include applicable disclosures required by the GEM Listing Rules.

#### **3.2 Basis of measurement**

The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through profit or loss (“FVTPL”) and investment property, which are measured at fair value.

#### **3.3 Functional and presentation currency**

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company and its principal subsidiaries, and all values are rounded to the nearest thousand except when otherwise indicated.

#### 4. REVENUE

The Group's principal activities are provision of (i) valuation and advisory services; (ii) financing services; and (iii) securities broking, placing and underwriting and investment advisory and asset management services. An analysis of the Group's revenue for the year is as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>		
Valuation and advisory services	37,737	64,028
Securities broking, placing and underwriting and investment advisory and asset management services	406	2,162
<b>Revenue from other sources:</b>		
Interest income from provision of financing services	<u>23,242</u>	<u>25,152</u>
	<u><b>61,385</b></u>	<u>91,342</u>

#### 5. SEGMENT INFORMATION

The chief operating decision-maker (the "CODM") has been identified as the Company's executive directors. For the years ended 31 March 2023 and 2022, the executive directors have identified the Group's service lines as reportable and operating segments as follows:

(i) Valuation and advisory services

Provision of asset appraisal and asset advisory services, including real estate and fixed asset appraisal, mineral property appraisal, business and intangible asset valuation, financial instrument valuation and advisory services and environmental, social and governance reporting service.

(ii) Financing services

Provision of financial services including personal loans, commercial loans and mortgage loans to individuals and corporations.

(iii) Securities broking, placing and underwriting and investment advisory and asset management services

Provision of securities broking and trading of securities services to investors, equity and debt securities placing and underwriting services to listed companies, and investment advisory and asset management services to professional investors.

(iv) Other segments

Mainly represents other operations of head office.

(a) Business segments

	Valuation and advisory services <i>HK\$'000</i>	Financing services <i>HK\$'000</i>	Securities broking, placing and underwriting and investment advisory and asset management services <i>HK\$'000</i>	Other segments <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the year ended 31 March 2023</b>					
Segment revenue ( <i>note (i)</i> )	<u>37,737</u>	<u>23,242</u>	<u>406</u>	<u>-</u>	<u>61,385</u>
Segment results ( <i>note (ii)</i> )	<u>(3,721)</u>	<u>(6,781)</u>	<u>(4,506)</u>	<u>1,608</u>	<u>(13,400)</u>
<b>Other segment information</b>					
Depreciation	(56)	(6)	(28)	-	(90)
Amortisation	(556)	-	-	-	(556)
Net impairment loss on loan and interest receivables	-	(28,642)	-	-	(28,642)
Net impairment loss on trade receivables	(1,549)	(41)	-	-	(1,590)
Net impairment loss on deposits and other receivables	(182)	-	-	-	(182)
Decrease in fair value of investment property	-	-	-	(600)	(600)
Income tax credit/(expense)	55	-	(77)	(3)	(25)
Additions to non-current assets (excluding financial instruments)	21	-	-	-	21
Segment assets	<u>16,476</u>	<u>376,051</u>	<u>1,282</u>	<u>10,045</u>	<u>403,854</u>
Segment liabilities	<u>(25,872)</u>	<u>(2,067)</u>	<u>(732)</u>	<u>(1)</u>	<u>(28,672)</u>

	Valuation and advisory services HK\$'000	Financing services HK\$'000	Securities broking, placing and underwriting and investment advisory and asset management services HK\$'000	Other segments HK\$'000	Total HK\$'000
<b>For the year ended 31 March 2022</b>					
Segment revenue ( <i>note (i)</i> )	<u>64,028</u>	<u>25,152</u>	<u>2,162</u>	<u>-</u>	<u>91,342</u>
Segment results ( <i>note (ii)</i> )	<u>3,403</u>	<u>(22,641)</u>	<u>(1,934)</u>	<u>(106)</u>	<u>(21,278)</u>
<b>Other segment information</b>					
Depreciation	(86)	(6)	(28)	-	(120)
Amortisation	(653)	-	-	-	(653)
Net impairment loss on loan and interest receivables	-	(29,687)	-	-	(29,687)
Net impairment loss on trade receivables	(2,388)	-	-	-	(2,388)
Net impairment loss on deposits and other receivables	-	(6,681)	-	-	(6,681)
Write-off of other receivables	(80)	-	-	-	(80)
Impairment loss on goodwill	(3,120)	-	-	-	(3,120)
Impairment loss on intangible assets	(433)	-	-	-	(433)
Increase in fair value of investment property	-	-	-	600	600
Income tax credit	165	-	35	-	200
Additions to non-current assets (excluding financial instruments)	282	-	-	-	282
Segment assets	17,336	385,025	1,058	10,690	414,109
Segment liabilities	<u>(24,226)</u>	<u>(1,799)</u>	<u>(817)</u>	<u>-</u>	<u>(26,842)</u>

*Notes:*

- (i) Segment revenue reported above represents revenue generated from external customers. There were no material inter-segment sales for both years.
- (ii) The accounting policies of the operating segments are same as the Group's accounting policies. Segment results represents the profit earned or the loss incurred by each segment without allocation of corporate income and central administrative costs. This is the measure reported to the CODM for the purpose of resources allocation and performance assessment.

(b) Reconciliation of reportable segment loss, assets and liabilities

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Loss before income tax</b>		
Reportable segment loss	(13,400)	(21,278)
Unallocated interest income	1,634	1,211
Unallocated employee benefit expenses	(4,265)	(4,480)
Unallocated depreciation	(4,468)	(4,248)
Unallocated finance costs	(7,069)	(4,353)
Unallocated other expenses	(1,717)	(1,682)
Unallocated change in fair value of financial assets at FVTPL	(444)	(234)
	<u>(29,729)</u>	<u>(35,064)</u>
Consolidated loss before income tax	<u>(29,729)</u>	<u>(35,064)</u>
<b>Assets</b>		
Reportable segment assets	403,854	414,109
Unallocated property, plant and equipment	7,681	4,679
Unallocated financial assets at FVTPL	1,987	–
Unallocated pledged bank deposits	51,562	56,564
Unallocated deposit	987	1,286
Unallocated bank balances and cash	6,528	8,423
Unallocated corporate assets	204	184
	<u>472,803</u>	<u>485,245</u>
Consolidated total assets	<u>472,803</u>	<u>485,245</u>
<b>Liabilities</b>		
Reportable segment liabilities	(28,672)	(26,842)
Unallocated lease liabilities	(7,524)	(4,607)
Unallocated interest-bearing borrowings	(89,213)	(86,647)
Unallocated corporate liabilities	(6,497)	(1,498)
	<u>(131,906)</u>	<u>(119,594)</u>
Consolidated total liabilities	<u>(131,906)</u>	<u>(119,594)</u>

**(c) Disaggregation of revenue from contracts with customers**

In the following table, revenue is disaggregated by timing over revenue recognition (under HKFRS 15). The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Valuation and advisory services <i>HK\$'000</i>	Financing services <i>HK\$'000</i>	Securities broking, placing and underwriting and investment advisory and asset management services <i>HK\$'000</i>	Other segments <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the year ended 31 March 2023</b>					
– At a point in time	37,737	–	211	–	37,948
– Over time	–	–	195	–	195
	<u>37,737</u>	<u>–</u>	<u>406</u>	<u>–</u>	<u>38,143</u>
<b>For the year ended 31 March 2022</b>					
– At a point in time	64,028	–	1,875	–	65,903
– Over time	–	–	287	–	287
	<u>64,028</u>	<u>–</u>	<u>2,162</u>	<u>–</u>	<u>66,190</u>

**(d) Geographical segment information**

All of the revenue from external customers and non-current assets of the Group are derived from activities or located in Hong Kong. Accordingly, no geographical information is presented.

**(e) Information about major customer**

For the years ended 31 March 2023 and 2022, none of the customers contributed 10% or more of the revenue of the Group.

## 6. OTHER INCOME, OTHER GAINS AND LOSSES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Other income</b>		
Bank interest income	1,634	1,211
Management fee income	4,370	–
Reimbursement of expenses	484	216
Rental income	216	216
Other marketing service income	284	697
Government grants ( <i>note</i> )	1,670	750
Sundry income	445	341
	<u>9,103</u>	<u>3,431</u>
<b>Other gains and losses</b>		
Gain of disposal of subsidiaries	–	3,445
Gain on disposal of fully depreciated property, plant and equipment	2,670	–
Exchange (loss)/gain, net	(6,656)	2,184
Net fair value loss on financial assets at FVTPL	(444)	(312)
	<u>(4,430)</u>	<u>5,317</u>
	<u><u>4,673</u></u>	<u><u>8,748</u></u>

*Note:* During the year ended 31 March 2023, The Group recognised government grants of HK\$1,670,000, of which HK\$1,520,000 related to Employment Support Scheme provided by the Hong Kong Government in respect of COVID-19-related subsidies (2022: nil); and HK\$150,000 related to Technology Voucher Programme Funding provided by Hong Kong Productivity Council (2022: nil).

During the year ended 31 March 2022, the Group received funding support amounting to HK\$750,000 from “Dedicated Fund on Branding, Upgrading and Domestic Sales” set up by the Hong Kong Government. The purpose of the funding is to provide financial support to enterprises in exploring more diversified markets.

## 7. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Salaries, discretionary bonus and allowances	34,220	40,626
Contributions to defined contribution retirement plans	947	1,193
Other benefits	1,241	1,539
	<u>36,408</u>	<u>43,358</u>

## 8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Auditor's remuneration ( <i>note</i> )	520	560
Depreciation:		
– Owned assets	172	190
– Right-of-use assets	4,386	4,178
Amortisation of intangible assets	556	653
Allowance for expected credit losses, net:		
– Loan and interest receivables ( <i>note 18</i> )	28,642	29,687
– Trade receivables ( <i>note 19</i> )	1,590	2,388
– Deposits and other receivables ( <i>note 20</i> )	182	6,681
Write-off of other receivables ( <i>note</i> )	–	80
Consultancy fee ( <i>note</i> )	6,002	17,546
Impairment loss ( <i>note</i> ):		
– Goodwill ( <i>note 16</i> )	–	3,120
– Intangible assets ( <i>note 15</i> )	–	433
Professional fee ( <i>note</i> )	1,221	9,423
Marketing and business development expenses ( <i>note</i> )	2,394	4,934
Lease charges for short-term leases ( <i>note</i> )	688	737
	<u>7,069</u>	<u>4,353</u>

*Note:* These expenses are included in “other expenses” in the consolidated statement of profit or loss and other comprehensive income.

## 9. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on bank borrowings	2,433	576
Interest on other borrowings	4,557	3,634
Finance charges on lease liabilities	79	143
	<u>7,069</u>	<u>4,353</u>



## 10. INCOME TAX EXPENSE/(CREDIT)

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25% (2022: 8.25%), and profits above HK\$2 million will be taxed at 16.5% (2022: 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% (2022: 16.5%).

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Current tax – Hong Kong profits tax</b>		
Current year	20	–
Under-provision/(over-provision) in respect of prior year	77	(35)
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>(72)</u>	<u>(165)</u>
<b>Total income tax expense/(credit)</b>	<u>25</u>	<u>(200)</u>

## 11. DIVIDEND

The Board has resolved not to recommend the payment of any dividend for the year ended 31 March 2023 (2022: nil).

## 12. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic loss per share attributable to the owners of the Company is based on the following data:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Loss</b>		
Loss attributable to the owners of the Company for the purpose of basic loss per share	<u>(29,352)</u>	<u>(34,864)</u>
<b>Number of shares (thousands)</b>		
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>684,542</u>	<u>666,165</u>

*Notes:*

- (a) The weighted average number of ordinary shares for the years ended 31 March 2023 and 2022 has been adjusted to reflect the shares held for the Plan during both years and the rights issue completed on 19 April 2021.
- (b) No separate diluted loss per share information has been presented as there was no potential ordinary shares outstanding as at 31 March 2023 and 2022.

### 13. PROPERTY, PLANT AND EQUIPMENT

	Office premise <i>HK\$'000</i>	Leasehold improvements <i>HK\$'000</i>	Furniture, fixtures and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Cost</b>					
As at 1 April 2021	12,237	3,533	1,599	7,964	25,333
Additions	–	49	103	–	152
Disposal of subsidiaries	–	–	(150)	–	(150)
As at 31 March 2022 and 1 April 2022	12,237	3,582	1,552	7,964	25,335
Additions	7,470	–	21	–	7,491
Disposals	–	–	–	(6,069)	(6,069)
<b>As at 31 March 2023</b>	<b>19,707</b>	<b>3,582</b>	<b>1,573</b>	<b>1,895</b>	<b>26,757</b>
<b>Accumulated depreciation</b>					
As at 1 April 2021	3,739	3,425	1,281	7,693	16,138
Depreciation	4,079	69	121	99	4,368
Disposal of subsidiaries	–	–	(54)	–	(54)
As at 31 March 2022 and 1 April 2022	7,818	3,494	1,348	7,792	20,452
Depreciation	4,287	82	90	99	4,558
Disposals	–	–	–	(6,069)	(6,069)
<b>As at 31 March 2023</b>	<b>12,105</b>	<b>3,576</b>	<b>1,438</b>	<b>1,822</b>	<b>18,941</b>
<b>Net book value</b>					
<b>As at 31 March 2023</b>	<b>7,602</b>	<b>6</b>	<b>135</b>	<b>73</b>	<b>7,816</b>
As at 31 March 2022	4,419	88	204	172	4,883

As at 31 March 2023, included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Carrying amount		Depreciation	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Office premise	7,602	4,419	4,287	4,079
Motor vehicles	73	172	99	99
<b>Total</b>	<b>7,675</b>	<b>4,591</b>	<b>4,386</b>	<b>4,178</b>

During the year ended 31 March 2023, there is an addition to right-of-use assets included in property, plant and equipment of HK\$7,470,000 (2022: nil). The details in relation to these leases are set out in note 23.

## 14. INVESTMENT PROPERTY

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
As at 1 April	<b>10,600</b>	10,000
(Decrease)/increase in fair value	<b>(600)</b>	600
As at 31 March	<b><u>10,000</u></b>	<b><u>10,600</u></b>

Investment property represents property located in Hong Kong held as lessor under operating leases to earn rentals or for capital appreciation.

Investment property was revalued on 31 March 2023 and 2022 by an independent professional valuer. The valuation, which conforms to The Valuation Standards of the Hong Kong Institute of Surveyors, was arrived at using direct comparison approach in the course of valuation.

The direct comparison approach is a method of valuation by making reference to comparable market transactions. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties. Appropriate adjustments and analysis are considered to the differences in location and other characters between the comparable properties and the subject properties.

The fair value of the investment property is a level 2 recurring fair value measurement. There were no changes to the valuation techniques during the years ended 31 March 2023 and 2022. The fair value measurement is based on the above property's highest and best use, which does not differ from its actual use.

<b>Valuation techniques of investment property</b>	<b>Significant unobservable inputs</b>	<b>Relationship of unobservable inputs to fair value</b>
Direct comparison method	Market price HK\$5,814/sq.m. (2022: HK\$6,192/sq.m.) and adjusted taking into account of locations and other individual factors such as size of land and construction in progress and conditions of prices	The higher the market price, the higher the fair value

During the years ended 31 March 2023 and 2022, there were no transfers between level 1 and level 2, or transfer into or out of level 3.

As at 31 March 2023, the Group's investment property with carrying amount of HK\$10,000,000 was pledged for securing bank borrowings of HK\$9,131,000 (note 24(a)).

As at 31 March 2022, the Group's investment property with carrying amount of HK\$10,600,000 was pledged for securing an other borrowing of HK\$6,565,000 (note 24(b)).

## 15. INTANGIBLE ASSETS

	Licenses <i>HK\$'000</i>	Customer relationship <i>HK\$'000</i>	Database <i>HK\$'000</i>	Accounting and management software <i>HK\$'000</i>	Valuation software <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Cost</b>						
As at 1 April 2021	4,944	7,047	15,400	488	6,059	33,938
Additions	–	–	–	130	–	130
<b>As at 31 March 2022, 1 April 2022 and 31 March 2023</b>	<b>4,944</b>	<b>7,047</b>	<b>15,400</b>	<b>618</b>	<b>6,059</b>	<b>34,068</b>
<b>Accumulated amortisation</b>						
As at 1 April 2021	–	3,711	3,978	222	4,016	11,927
Amortisation	–	569	–	84	–	653
As at 31 March 2022 and 1 April 2022	–	4,280	3,978	306	4,016	12,580
Amortisation	–	456	–	100	–	556
<b>As at 31 March 2023</b>	<b>–</b>	<b>4,736</b>	<b>3,978</b>	<b>406</b>	<b>4,016</b>	<b>13,136</b>
<b>Accumulated impairment</b>						
As at 1 April 2021	4,944	584	11,422	–	2,043	18,993
Impairment loss	–	433	–	–	–	433
<b>As at 31 March 2022, 1 April 2022 and 31 March 2023</b>	<b>4,944</b>	<b>1,017</b>	<b>11,422</b>	<b>–</b>	<b>2,043</b>	<b>19,426</b>
<b>Net book value</b>						
<b>As at 31 March 2023</b>	<b>–</b>	<b>1,294</b>	<b>–</b>	<b>212</b>	<b>–</b>	<b>1,506</b>
As at 31 March 2022	–	1,750	–	312	–	2,062

For the purpose of impairment testing, intangible assets have been included in the CGUs of 13 Consultant Limited (“13 Consultant”) and AVA Appraisals Limited (“AVA Appraisals”) which were acquired during the year ended 31 March 2021.

The customer relationship of approximately HK\$2,281,000 and HK\$566,000 attributable to the acquisitions of 13 Consultant and AVA Appraisals during the year ended 31 March 2021 are both amortised on a straight line basis over the expected useful life of 5 years. The useful life of the customer relationship is determined with reference to the estimated future revenue from the customer relationship which is based on financial budgets approved by management. Management is of the view that the future economic benefits that can be derived from the customer relationship beyond the expected useful life are insignificant.

During the year ended 31 March 2022, the Group reviewed the recoverable amounts of the customer relationship of 13 Consultant and AVA Appraisals based on value in use calculations with reference from the cash flow projections from formally approved budgets covering a five-year period and recognised an impairment loss of approximately HK\$433,000 in relation to the customer relationship of AVA Appraisals in profit or loss for the year ended 31 March 2022. As at 31 March 2022, the customer relationship of AVA Appraisals is fully impaired. No impairment loss in relation to the customer relationship of 13 Consultant has been recognised for the year ended 31 March 2022.

During the year ended 31 March 2023, the Group reviewed the recoverable amount of customer relationship of 13 Consultant based on value in use calculation with reference from the cash flow projections from formally approved budgets covering a five-year period and discount rate of 16.1%. No impairment loss in relation to the customer relationship of 13 Consultant has been recognised since the recoverable amount is higher than the carrying amount as at 31 March 2023. Further details on impairment assessment of the CGU of 13 Consultant is set out in note 16.

## 16. GOODWILL

The net carrying amount of goodwill, net of any impairment loss, can be analysed as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Net carrying amount:</b>		
As at 1 April	4,253	7,373
Impairment loss	—	(3,120)
As at 31 March	<u>4,253</u>	<u>4,253</u>

The carrying amount of goodwill, net of any impairment loss, is allocated to the following CGU:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Net carrying amount:</b>		
13 Consultant ( <i>note</i> )	<u>4,253</u>	<u>4,253</u>

*Note:*

The recoverable amounts of the goodwill relating to 13 Consultant has been determined by value-in-use calculation based on the respective cash flow projections from formally approved budgets covering a five-year period. Cash flow beyond the five-year period are extrapolated using an estimated growth rate of 2.5%.

	<b>2023</b>	2022
Discount rate	<b>16.1%</b>	18.0%
Operating margin*	<b>44%</b>	(39%)–43%
Growth rate within the five-year period	<b>8%–14%</b>	8%–15%

The discount rate used is pre-tax and reflect specific risks relating to 13 Consultant. The operating margin and growth rate within the five-year period have been based on management expectation regarding the market development. No provision for impairment of goodwill of this CGU was recognised for the year ended 31 March 2023 since the recoverable amount is higher than the carrying amount as at 31 March 2023.

\* defined as (loss)/profit before income tax expense divided by revenue

## 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Life insurance policies	1,705	–
Other investments	282	–
	<u>1,987</u>	<u>–</u>

## 18. LOAN AND INTEREST RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Loan and interest receivables	517,948	626,127
Less: ECL allowance	<u>(142,134)</u>	<u>(241,389)</u>
	375,814	384,738
Less: Non-current portion loan and interest receivables	<u>(38,893)</u>	<u>(154,616)</u>
	<u>336,921</u>	<u>230,122</u>

As at 31 March 2023, loan and interest receivables with an aggregate carrying amount of approximately HK\$68,744,000 (2022: approximately HK\$74,256,000) were secured by assets under legal charges.

The customers are obliged to settle the amounts according to the terms set out in relevant contracts. Interest rates are offered based on the assessment of a number of factors including the borrowers' creditworthiness and repayment ability, collaterals as well as the general economic trends. The Group's loan principals charged interest at contract rates ranging approximately 6%–48% per annum (2022: approximately 6%–48% per annum).

A maturity profile of the loan and interest receivables based on the maturity date at the end of reporting period is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 year	336,921	230,122
1 to 5 years	<u>38,893</u>	<u>154,616</u>
	<u>375,814</u>	<u>384,738</u>

The table below reconciles the ECL allowance on loan and interest receivables for the year:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Balance as at 1 April	<b>241,389</b>	242,638
ECL allowance recognised	<b>29,763</b>	53,928
ECL allowance reversed	<b>(1,121)</b>	(24,241)
Written-off	<b>(127,897)</b>	(30,936)
	<hr/>	<hr/>
Balance as at 31 March	<b>142,134</b>	241,389
	<hr/> <hr/>	<hr/> <hr/>

## 19. TRADE RECEIVABLES

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Trade receivables arising from:</b>		
Valuation and advisory business		
– Third parties	<b>8,774</b>	12,951
– Less: ECL allowance	<b>(3,388)</b>	(4,394)
	<hr/>	<hr/>
	<b>5,386</b>	8,557
Securities broking business		
– A third party	<hr/> <hr/>	<hr/> <hr/>
	<b>5,386</b>	8,580
	<hr/> <hr/>	<hr/> <hr/>

Trade receivables mainly arise from valuation and advisory services and securities broking services.

### Valuation and advisory business

Invoices issued to customers are in accordance with the payment terms stipulated in the contracts and payable on issuance. The ageing analysis of trade receivables (net of ECL allowance) based on invoice date at the end of reporting period is as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 to 30 days	<b>3,111</b>	4,082
31 to 60 days	<b>848</b>	946
61 to 90 days	<b>432</b>	535
91 to 180 days	<b>638</b>	1,343
181 to 360 days	<b>357</b>	1,651
	<hr/>	<hr/>
	<b>5,386</b>	8,557
	<hr/> <hr/>	<hr/> <hr/>

The table below reconciles the ECL allowance on trade receivables for the year:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Balance as at 1 April	4,394	9,061
ECL allowance recognised	1,591	2,545
ECL allowance reversed	(1)	(157)
Disposal of subsidiaries	–	(303)
Written-off	(2,596)	(6,752)
	<u>3,388</u>	<u>4,394</u>

#### **Securities broking business**

No ageing analysis is disclosed as the ageing analysis does not give additional value in view of the nature of this business.

#### **20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Prepayments	1,085	806
Deposits	2,804	1,926
Other receivables	10,252	9,582
	<u>14,141</u>	<u>12,314</u>
Total prepayments, deposits and other receivables	14,141	12,314
Less: ECL allowance	(6,863)	(7,881)
	<u>7,278</u>	<u>4,433</u>
Less: Non-current portion deposit	(987)	(1,286)
	<u>6,291</u>	<u>3,147</u>

The table below reconciles the ECL allowance on deposits and other receivables for the year:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Balance as at 1 April	7,881	1,200
ECL allowance recognised	182	6,681
Written-off	(1,200)	–
	<u>6,863</u>	<u>7,881</u>
Balance as at 31 March	6,863	7,881



## 21. TRADE PAYABLES

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Trade payables arising from:</b>			
Securities broking business	<i>(a)</i>	<b>660</b>	666
– Brokerage clients		<u>660</u>	<u>666</u>
Valuation and advisory business	<i>(b)</i>	<b>1,213</b>	610
		<u>1,213</u>	<u>610</u>
		<b>1,873</b>	1,276
		<u>1,873</u>	<u>1,276</u>

### *Notes:*

- (a) Trade payables arising from securities broking business represent the monies received from and repayable to brokerage clients.

No ageing analysis is disclosed as the ageing analysis does not give additional value in view of the nature of this business.

- (b) During the year ended 31 March 2023, the Group was granted by its suppliers credit periods ranging from 0 to 30 (2022: 0 to 30) days. The ageing analysis of the trade payables arising from valuation and advisory business based on invoice date at the end of reporting period is as follows:

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 to 30 days	<b>81</b>	41
31 to 60 days	<b>283</b>	89
61 to 90 days	<b>122</b>	116
91 to 180 days	<b>379</b>	119
180 to 360 days	<b>212</b>	225
Over 360 days	<b>136</b>	20
	<u>1,213</u>	<u>610</u>
	<b>1,213</b>	610

## 22. ACCRUED LIABILITIES, OTHER PAYABLES AND CONTRACT LIABILITIES

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Accrued liabilities and other payables	<b>13,323</b>	5,010
Contract liabilities ( <i>note</i> )	<b>19,759</b>	21,765
	<u>13,323</u>	<u>21,765</u>
	<b>33,082</b>	26,775
	<u>33,082</u>	<u>26,775</u>

*Note:*

Contract liabilities of the Group mainly arise from the advance payments made by customers while the underlying valuation and advisory services are yet to be provided. The Group generally requires the customers to make up to certain percentage of the total contract value upon signing of service contract.

The Group recognises the contract liabilities as revenue when the underlying services are completed. Contract liabilities outstanding at the beginning of the year amounting to HK\$15,520,000 (2022: HK\$24,244,000) have been recognised as revenue during the year.

The Group has elected the practical expedient for not to disclose the transaction price allocated to the remaining unsatisfied performance obligation because part of these contracts has original expected duration of one year or less.

The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

### 23. LEASE LIABILITIES

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

	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Total minimum lease payments:		
Due within one year	<b>2,698</b>	4,631
Due within two to five years	<b>5,340</b>	28
	<b>8,038</b>	4,659
Less: future finance charges	<b>(514)</b>	(52)
Present value of lease liabilities	<b>7,524</b>	4,607
Present value of minimum lease payments:		
Due within one year	<b>2,419</b>	4,579
Due within two to five years	<b>5,105</b>	28
	<b>7,524</b>	4,607
Less: payment due within one year included under current liabilities	<b>(2,419)</b>	(4,579)
Payment due after one year included under non-current liabilities	<b>5,105</b>	28

As at 31 March 2023, lease liabilities amounting to HK\$7,524,000 (2022: HK\$4,607,000) are effectively secured by the related underlying assets (note 13) as the rights to the leased assets would be reverted to the lessor in the event of default by repayment by the Group.

During the year ended 31 March 2023, the total cash outflow for the leases (including short-term leases) are HK\$5,320,000 (2022: HK\$5,179,000).

## Details of the lease activities

At the reporting date, the Group has entered into leases for the items listed as follows:

Types of right-of-use assets	Number of leases		Range of remaining lease term		Particulars
	2023	2022	2023	2022	
Motor vehicles	1	1	0.3 years	1.3 years	Subject to monthly fixed payment
Office premise	2	1	3.1 years	1.1 years	Subject to monthly fixed payment

## 24. INTEREST-BEARING BORROWINGS

	Notes	2023 HK\$'000	2022 HK\$'000
Bank borrowings	(a)	58,343	49,212
Other borrowings	(b)	30,870	37,435
		<u>89,213</u>	<u>86,647</u>

Notes:

### (a) Bank borrowings

As at 31 March 2023, the bank borrowings of HK\$49,212,000 (2022: HK\$49,212,000) were secured by bank deposits of HK\$51,562,000 (2022: HK\$56,564,000) placed in a bank. Interest is charged at Hong Kong Inter-bank Offered Rate (“HIBOR”) +1% and bank cost of fund +0.9% (2022: HIBOR +1% and bank cost of fund +0.9%) per annum.

As at 31 March 2023, the bank borrowings of HK\$9,131,000 (2022: nil) is secured by the Group’s investment property (note 14) and assignment of insurance, interest bearing at HIBOR+1.5% to 4% per annum (2022: nil).

The above banking facilities of the loans are subject to the fulfillment of covenants relating to minimum requirement of pledged bank deposits and compliance of the bank’s administrative requirements, as are commonly found in lending arrangements with financial institutions in Hong Kong. If the subsidiary were to breach the covenants, the drawn down facility would become repayable on demand.

As at 31 March 2023 and 2022, the bank borrowings were scheduled to repay within one year or on demand.

The Group regularly monitors the compliance with these covenants and the scheduled repayments of the loans and does not consider it probable that the bank will exercise its discretion to demand repayment.

### (b) Other borrowings

As at 31 March 2023, the other borrowings of HK\$30,870,000 (2022: HK\$30,870,000) are unsecured, interest-bearing at the range from 5% to 15% (2022: 5% to 15%) per annum and repayable within one year. As at 31 March 2022, another borrowings with amount of HK\$6,565,000 was secured by the Group’s investment property (note 14), interest-bearing at 12.0% per annum and repayable within one year.

## 25. SHARE CAPITAL

	Number of ordinary shares at HK\$0.01 each	HK\$'000
<b>Authorised:</b>		
As at 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	57,600,000,000	576,000
<b>Issued:</b>		
As at 1 April 2021	175,520,415	1,755
Issue of shares upon right issue ( <i>note</i> )	526,561,245	5,266
As at 31 March 2022, 1 April 2022 and 31 March 2023	<u>702,081,660</u>	<u>7,021</u>

*Note:*

On 19 April 2021, the Company issued 526,561,245 ordinary shares upon completion of the rights issue on the basis of three rights share for one existing share held by shareholders of the Company at a subscription price of HK\$0.125 per rights share. The gross proceeds from the rights issue were approximately HK\$65,821,000, of which HK\$5,266,000 was credited to share capital account and the balance of HK\$60,555,000 was credited to share premium account of the Company. The net proceeds after deducting estimated professional fees and related expenses of approximately HK\$3,175,000 were approximately HK\$62,646,000.

## 26. NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Company that have material non-controlling interests:

Name of subsidiaries	Proportion of ownership interests and voting rights held by non-controlling interest		Losses allocated to non-controlling interests		Accumulated non-controlling interests	
	2023	2022	2023	2022	2023	2022
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
Million Up and its subsidiary Fantastic Adventure	49.9%	N/A	(199)	N/A	(2,681)	N/A
and its subsidiary	49.9%	N/A	<u>(203)</u>	N/A	<u>(6,089)</u>	N/A
			(402)		(8,770)	

On 20 December 2022, a wholly owned subsidiary of the Company, as the vendor, and an independent third party, as a purchaser, entered into the agreement that the vendor has agreed to sell and transfer, and the purchaser has agreed to acquire and accept 140 shares (representing approximately 21.9% of the total issued share capital) of Million Up Holdings Limited (the "Million Up") with its subsidiary which is a licensed corporation under the SFO and is permitted to carry on Type 1 (dealing in securities) regulated activities at a consideration of HK\$900,000.

On the same day, a wholly owned subsidiary of the Company, as the vendor, and the independent third party, as a purchaser, entered into another agreement that the vendor has agreed to sell and transfer, and the purchaser has agreed to acquire and accept 140 shares (representing approximately 21.9% of the total issued share capital) of Fantastic Adventure Holdings Limited (the “Fantastic Adventure”) with its subsidiary which is a licensed corporation under the SFO and is permitted to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities at a consideration of HK\$1,100,000.

On 9 January 2023, an independent investor entered into the (i) subscription agreement to subscribe new issued 250 shares (representing 28.1% of the total issued share capital then) of Million Up at a consideration of HK\$1,100,000 with Million Up; and (ii) sales and purchase agreement with a wholly owned subsidiary of the Company, as the vendor, pursuant to which the vendor has agreed to sell and the investor has agreed to acquire 54 shares (representing 6.1% of the total issued share capital then) of Million Up at a consideration of HK\$200,000.

On the same day, an independent investor entered into the (i) subscription agreement to subscribe new issued 250 shares (representing 28.1% of the total issued share capital then) of Fantastic Adventure at a consideration of HK\$1,400,000 with Fantastic Adventure; and (ii) sales and purchase agreement with a wholly owned subsidiary of the Company, as the vendor, pursuant to which the Vendor has agreed to sell and the investor has agreed to acquire 54 shares (representing 6.1% of the total issued share capital then) of Fantastic Adventure at a consideration of HK\$300,000.

The subscription and disposal of the above shares of Million Up and Fantastic Adventure has been completed during January 2023. Upon completion of the above transactions and as at 31 March 2023, the Group holds 50.1% equity interest in Million Up and Fantastic Adventure. Change in the Group’s interests in these subsidiaries do not result in the Group losing control over these subsidiaries are accounted for as equity transaction.

Summarised financial information in respect of the Group’s subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

#### **Million Up and its subsidiaries**

	<b>2023</b> <b>HK\$’000</b>
Current assets	21,002
Non-current assets	19
Current liabilities	(26,394)
Non-current liabilities	–
Net liabilities	(5,373)
Equity attributable to the owners of the Company	(2,692)
Non-controlling interests	(2,681)
	<b>2023</b> <b>HK\$’000</b>
Revenue	206
Other income	2,217
Expenses	(2,822)
Loss attributable to owners of the Company	(200)
Loss attributable to non-controlling interests	(199)
Loss for the year	(399)

**Fantastic Adventure and its subsidiaries**

	<b>2023</b> <b>HK\$'000</b>
Current assets	769
Non-current assets	–
Current liabilities	(12,971)
Non-current liabilities	–
Net liabilities	(12,202)
Equity attributable to the owners of the Company	(6,113)
Non-controlling interests	(6,089)

	<b>2023</b> <b>HK\$'000</b>
Revenue	195
Other income	1,348
Expenses	(1,950)
Loss attributable to owners of the Company	(204)
Loss attributable to non-controlling interests	(203)
Loss for the year	(407)

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the year ended 31 March 2023, the Group's revenue was approximately HK\$61.4 million, representing a decrease of approximately 32.8% compared with that for the year ended 31 March 2022.

During the year ended 31 March 2023, the Group has disposed certain percentage of then the wholly owned subsidiaries with continuing loss-making position, which are licensed corporation under the SFC and is permitted to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities. Such disposals represent a good opportunity for the Group to refine the Group's structure and to benefit from potential business cooperation and opportunities that may be brought to the Group by the independent purchaser.

The Group aims to provide all-rounded with high quality service to its customers so as to sustain its growth. In addition, the Group always uses its best endeavors to explore various merger and acquisition opportunities and/or business collaboration to enhance its market presence in the valuation and advisory industry in Hong Kong.

The Group has distributed discretionary bonus to staff during the year ended 31 March 2023 to retain high-caliber individuals for their continuous contribution to the Group. The Group always considers its professional teams as the most valuable asset of the Group and offers competitive remuneration package to attract and retain high-caliber individuals.

### **FINANCIAL REVIEW**

#### **Revenue**

During the year ended 31 March 2023, the Group's provision of valuation and advisory services contributed approximately 61.4% of the total revenue to the Group. The services fee income generated from provision of valuation and advisory services decreased by 41.1% to approximately HK\$37.7 million for year ended 31 March 2023 from approximately HK\$64.0 million for the year ended 31 March 2022. Such decrement was mainly due to the disposal of the subsidiaries engaging in provision of environmental, social and governance reporting as well as other risk advisory services completed in March 2022 (the "Disposal of Subsidiaries") and decrease in the number of projects engaged.

The Group's provision of financing services contributed approximately 37.9% of the total revenue of the Group for the year ended 31 March 2023. The interest income generated from provision of financing services slightly dropped by 7.6% to approximately HK\$23.2 million for the year ended 31 March 2023 from approximately HK\$25.2 million for the year ended 31 March 2022. The decrease of interest income was mainly attributable to the drop of loan portfolios size during the year ended 31 March 2023 as compared with that for the year ended 31 March 2022.

The segment of securities broking, placing and underwriting and investment advisory services accounted for approximately 0.7% of the Group's total revenue for the year ended 31 March 2023. The income generated from this segment decreased to approximately HK\$0.4 million for the year ended 31 March 2023 from approximately HK\$2.2 million for the year ended 31 March 2022. Such decrement was mainly attributable to the poor investment atmosphere in the Hong Kong stock market.

### **Other income, other gains and losses**

Other income, other gains and losses mainly comprises bank interest income, reimbursement of expense, management fee income, government grants, gain on disposal of fully depreciated property, plant and equipment and exchange gains/losses etc. During the year ended 31 March 2023, the other income, other gains and losses declined by 46.6% to approximately HK\$4.7 million from approximately HK\$8.7 million for the year ended 31 March 2022. It was mainly attributable to the combined effects (i) exchange loss of approximately HK\$6.7 million incurred during the year ended 31 March 2023 whereas there was exchange gain of approximately HK\$2.2 million recorded during the last corresponding year; outweighed the following factors (ii) government subsidies of HK\$1.7 million in relation to the employee support scheme granted during the year ended 31 March 2023 whereas no such subsidies granted during the last corresponding year; (iii) management fee income of approximately HK\$4.4 million generated during the year ended 31 March 2023 whereas no such management fee income generated during the last corresponding year; and (iv) gain on disposal of fully depreciated property, plant and equipment of approximately HK\$2.7 million during the year ended 31 March 2023 whereas no such gain derived during the last corresponding year.

### **Employee benefit expenses**

Employee benefit expenses mainly consisted of wages and salaries, discretionary bonus, pension costs and other benefits to staff and Directors. The Group's employee benefit expenses decreased by approximately 16.0% for the year ended 31 March 2023 as compared with those for the year ended 31 March 2022, which was mainly attributable to the Disposal of Subsidiaries. The Group always values the contribution of its professional and management teams and has distributed bonus during the year ended 31 March 2023 to retain high-caliber individuals for continuous contribution to the Group.

### **Depreciation and amortisation**

The Group recorded a slightly increase in depreciation and amortisation of approximately 1.9% for the year ended 31 March 2023 as compared with that for the year ended 31 March 2022.

### **Finance costs**

The Group's finance cost referred to interest expenses incurred for bank borrowings, other borrowings and lease liabilities. During the year ended 31 March 2023, increase in finance cost by approximately 62.4% to approximately HK\$7.1 million from approximately HK\$4.4 million for the year ended 31 March 2022 was mainly attributable to the addition of bank borrowings for operational needs as well as the continuing rising interest rate.



## **Other expenses**

The Group's other expenses decreased by 63.4% for the year ended 31 March 2023 as compared with those for the year ended 31 March 2022. Such decrease was mainly attributable to the decrease in the professional fee and consultancy fee for the year ended 31 March 2023 which is in line with drop of the revenue generated from provision of valuation and advisory services segment.

## **Loss attributable to owners of the Company**

Loss attributable to owners of the Company amounted to approximately HK\$29.4 million for the year ended 31 March 2023, which decreased by approximately HK\$5.5 million as compared to that loss attributable to owners of the Company of approximately HK\$34.9 million for the year ended 31 March 2022. The drop was mainly attributable to the (i) decrease in allowance for expected credit losses on the deposits and other receivables by approximately HK\$6.5 million during the year ended 31 March 2023; (ii) the impact of decrease of approximately HK\$28.1 million in the Group's other expenses in which substantially derived from the drop of professional fee and consultancy fee and drop of impairment loss on goodwill and intangible assets during the year ended 31 March 2023; such decrease of these expense items outweighed the impact of decrease of approximately HK\$30.0 million in the revenue during the year ended 31 March 2023 as compared with that for last corresponding year was mainly due to decrease in number of projects engaged from the provision of valuation and advisory segment.

## **REVIEW ON ADVANCE TO ENTITY AND/OR PROVISION OF FINANCIAL ASSISTANCE**

During the year ended 31 March 2023, none of the financial assistance provided by the Group constituted "discloseable transaction" under Chapter 19 of the GEM Listing Rules and "advances to entity" which requires disclosure pursuant to Chapter 17 of the GEM Listing Rules.

## **LIQUIDITY AND FINANCIAL RESOURCES**

During the year ended 31 March 2023, the Group mainly financed its operations with its own working capital as well as bank and other borrowings. As at 31 March 2023 and 31 March 2022, the Group had net current assets of approximately HK\$282.8 million and HK\$188.3 million, respectively, including cash and bank balances of general accounts amounted to approximately HK\$6.5 million and HK\$8.4 million, respectively. The Group's pledged bank deposits of approximately HK\$51.6 million as at 31 March 2023 represented cash at bank held by the Group and pledged for bank borrowings. The Group's current ratio (current assets divided by current liabilities) were approximately 3.2 and 2.6 as at 31 March 2023 and 31 March 2022, respectively.

As at 31 March 2023 and 31 March 2022, the Group's total bank borrowings amounted to approximately HK\$58.3 million and HK\$49.2 million, respectively. All bank borrowings were denominated in United States Dollars ("US\$") and Hong Kong Dollars as at 31 March 2023. Details of the bank borrowings of the Group are set out in note 24 to the consolidated financial statements of the Group. As at 31 March 2023, the Group's other borrowings amounted to approximately HK\$30.9 million (31 March 2022: HK\$37.4 million), of which HK\$nil (31 March 2022: 6.6 million) was secured by the Group's investment property. As at 31 March 2023 and 31 March 2022, the Group's total lease liabilities amounted to approximately HK\$7.5 million and HK\$4.6 million, respectively. The Group's gearing ratio (lease liabilities and interest-bearing borrowings divided by total equity) increased to approximately 0.28 as at 31 March 2023 from approximately 0.25 as at 31 March 2022.

## **TREASURY POLICIES**

The Group adopts a conservative approach towards its treasury policies. The Group strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients and credit review of the Group's loan portfolio. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

## **COMMITMENTS**

The Group's contractual commitments primarily related to the leases of its office premises. The Group's short-term lease commitments amounted to approximately HK\$79,000 and HK\$84,000 as at 31 March 2023 and 31 March 2022, respectively. As at 31 March 2023, the Group did not have any capital commitments (31 March 2022: nil).

## **CAPITAL STRUCTURE**

Details of the movements in the Company's share capital are set out in the consolidated financial statements in this report in note 25.

## **SIGNIFICANT INVESTMENTS**

Save as disclosed in this report, the Group did not hold any significant investments as at 31 March 2023.

## **CONTINGENT LIABILITIES**

The Group had no material contingent liabilities as at 31 March 2023 (31 March 2022: nil).

## **FOREIGN EXCHANGE EXPOSURE**

During the year ended 31 March 2023, the Group's exposure to currency risk was limited to its bank balances and bank deposits denominated in Renminbi ("RMB") as a majority of the Group's transactions, monetary assets and liabilities are denominated in HK\$ and US\$. In the event that RMB appreciated by 10% (2022: 10%) against HK\$, the Group's loss for the year ended 31 March 2023 would decrease by approximately HK\$nil (2022: the Group's loss decreased by approximately HK\$4.7 million). On the contrary, if RMB depreciated by 10% (2022: 10%) against HK\$, the Group's loss for the year ended 31 March 2023 would increase by approximately HK\$nil (2022: the Group's loss increased by approximately HK\$4.7 million). As US\$ is pegged to HK\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates. The Group will continue to monitor its foreign currency exposure closely.

## **PLEDGE OF ASSETS**

As at 31 March 2023 and 2022, save for the pledged bank deposits, pledged investment property, pledged financial asset and motor vehicles acquired under leases, the Group did not pledge any of its assets as securities for any facilities granted to the Group.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2023 and 2022, the Group employed a total of 59 and 62 full-time employees, respectively. The Group's total employee benefit expenses were approximately HK\$36.4 million and HK\$43.4 million for the years ended 31 March 2023 and 2022, respectively. Remuneration is determined by reference to market conditions and the performance, qualification and experience of individual employee. In addition to a basic salary, discretionary bonuses are offered as incentive to retain staff with outstanding performance, who are contributive to the growth of the Group. The Company adopted a new share option scheme on 27 September 2021 and a share award on 22 June 2018 as incentives to the Directors (in relation to the share option scheme only) and the eligible participants. The Group also provides and arranges on-the-job training for the employees.

## CAPITAL STRUCTURE

### The rights issue in 2017

In November 2017, the Company raised net funds of approximately HK\$258.0 million from its rights issue of 1,874,944,986 shares (the “2017 RI Proceeds”). Up to 31 March 2023, approximately HK\$135.0 million of the 2017 RI Proceeds was utilised for the granting of various loans, approximately HK\$34.1 million of the 2017 RI Proceeds was used for investment in potential business and approximately HK\$33.0 million of the 2017 RI Proceeds was used for the Group’s general working capital, and the rest was kept in cash at a licensed bank in Hong Kong. The proposed and actual use of the 2017 RI Proceeds up to 31 March 2023 are set as below.

	<b>Proposed use of the 2017 RI Proceeds (HK\$ in million)</b>	<b>Actual use of the 2017 RI Proceeds from the date of issuance of rights issue and up to 31 March 2022 (HK\$ in million)</b>	<b>Actual use of the 2017 RI Proceeds during the year (HK\$ in million)</b>	<b>Unutilised 2017 RI Proceeds as at 31 March 2023 (HK\$ in million)</b>
Expansion of Group’s existing financing business	135.0	135.0	–	–
Investment in potential businesses ( <i>note</i> )	90.0	27.0	7.1	55.9
General working capital	33.0	33.0	–	–
	<u>258.0</u>	<u>195.0</u>	<u>7.1</u>	<u>55.9</u>
<b>Total</b>	<b><u>258.0</u></b>	<b><u>195.0</u></b>	<b><u>7.1</u></b>	<b><u>55.9</u></b>

*Note:* The Company currently expects that the unutilised 2017 RI Proceeds will be used by 31 March 2024.

As at 31 March 2023, the 2017 RI proceeds were not fully utilised due to unforeseen delays caused by the COVID-19 pandemic which has led disruptions to the economy and therefore the management is more prudent and taking more time to seek the potential businesses.

## **MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

On 20 December 2022, a wholly owned subsidiary of the Company, as the vendor, and an independent third party, as a purchaser, entered into the agreement that the vendor has agreed to sell and transfer, and the purchaser has agreed to acquire and accept 140 shares (representing approximately 21.9% of the total issued share capital) of Million Up Holdings Limited (the “Million Up”) with its subsidiary which is a licensed corporation under the SFO and is permitted to carry on Type 1 (dealing in securities) regulated activities at a consideration of HK\$900,000.

On the same day, a wholly owned subsidiary of the Company, as the vendor, and the independent third party, as a purchaser, entered into another agreement that the vendor has agreed to sell and transfer, and the purchaser has agreed to acquire and accept 140 shares (representing approximately 21.9% of the total issued share capital) of Fantastic Adventure Holdings Limited (the “Fantastic Adventure”) with its subsidiary which is a licensed corporation under the SFO and is permitted to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities at a consideration of HK\$1,100,000.

The disposal of the above shares of Million Up and Fantastic Adventure has been completed during December 2022.

For details, please refer to the Company’s announcement dated 20 December 2022.

On 9 January 2023, an independent investor entered into the (i) subscription agreement to subscribe new issued 250 shares (representing 28.1% of the total issued share capital then) of Million Up at a consideration of HK\$1,100,000 with Million Up; and (ii) sales and purchase agreement with a wholly owned subsidiary of the Company, as the vendor, pursuant to which the vendor has agreed to sell and the investor has agreed to acquire 54 shares (representing 6.1% of the total issued share capital then) of Million Up at a consideration of HK\$200,000.

On the same day, an independent investor entered into the (i) subscription agreement to subscribe new issued 250 shares (representing 28.1% of the total issued share capital then) of Fantastic Adventure at a consideration of HK\$1,400,000 with Fantastic Adventure; and (ii) sales and purchase agreement with a wholly owned subsidiary of the Company, as the vendor, pursuant to which the Vendor has agreed to sell and the investor has agreed to acquire 54 shares (representing 6.1% of the total issued share capital then) of Fantastic Adventure at a consideration of HK\$300,000.

The subscription and disposal of the above shares of Million Up and Fantastic Adventure has been completed during January 2023.

For details, please refer to the Company’s announcement dated 9 January 2023.

Save as disclosed above, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint venture during the year ended 31 March 2023.

## **DIVIDEND**

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 March 2023 (2022: nil).

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as those disclosed in the section headed “Capital structure”, the Group currently does not have other concrete plans for material investments and capital assets.

## **FUTURE PROSPECTS**

With an aim to be the leading valuation and advisory services provider in Hong Kong, the Group reinforced its core strategy by providing all-rounded services in high quality to clients. Going forward, the Group will continue to explore expansion of the service scope of its advisory services with a view to match its services with the changing environment and sustain its growth. The Group will also continue to explore various merger and acquisition opportunities and/or business collaboration to maintain and enhance its market presence in the valuation and advisory industry in Hong Kong.

The pandemic and the expected rising interest rate environment leading the poor market sentiment that have hindered the development and growth of the Group’s provision of securities broking, placing and underwriting and investment advisory and asset management service during the year ended 31 March 2023. However, it is expected that the related policies in relation to the development of the Belt and Road Initiative and advancement of Greater Bay Area will create new opportunities for Hong Kong as an international financial hub.

In addition, an indirectly non wholly owned subsidiary has submitted an application to the Securities and Futures Commission of Hong Kong (the “SFC”) to engaged in virtual asset-related activities under the Type 1 regulated activity (Dealing in Securities) licensing during the year ended 31 March 2023. The Group is of the view that, subject to obtaining the necessary regulatory approvals, the expansion of the business to engage in virtual asset-related services is in line with the Group’s strategy to provide more diversified services to investors and will create opportunities for synergies among the Group’s various business line. The Group will continue to monitor its status of the license application and seek new business opportunities to achieve growth and profitability.

## **OTHER INFORMATION**

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

During the year ended 31 March 2023, the Company did not redeem any of its Shares listed on GEM nor did the Company or any of its subsidiaries purchase or sell any such Shares.

### **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has complied with the code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Having made specific enquiry of all Directors by the Company, all Directors confirmed that they have complied with the required standard of dealings and the Company's code of conduct concerning securities transactions by the Directors during the year ended 31 March 2023.

### **CORPORATE GOVERNANCE PRACTICES**

The Board and the management of the Group are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the Shareholders and enhance the business growth of the Group.

During the year ended 31 March 2023, the Company has complied with all the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules except the deviation from the code provisions C.2.1.

In accordance with the code provision C.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual.

During the year ended 31 March 2023 and up to the date of this announcement, Mr. Yue Kwai Wa Ken has been both the chairman of the Board (the "Chairman") and the chief executive officer of the Group (the "CEO").

The Board considers that having the same person to perform the roles of both the Chairman and the CEO provides the Company with strong and consistent leadership, and allows effective and efficient planning and implementation of business decisions and strategies. Such structure would not impair the balance of power and authority between the Board and the management of the Company. The balance of power and authority is ensured by the operations of the Board which comprises experienced and high-caliber individuals and having meeting regularly to discuss issues affecting the operations of the Group.



## **COMPLIANCE WITH LAWS AND REGULATIONS**

The Group mainly carries out its businesses in Hong Kong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied with all relevant laws and regulations in Hong Kong during the year ended 31 March 2023.

## **ENVIRONMENTAL POLICY**

The Group aims to protect the environment by minimising environmental adverse impacts in daily operations, such as energy saving and recycling of office resources. The Group will continue to seek for better environmental practices and promote the right environmental attitudes within the organisation. The Group has complied with all relevant laws and regulations in respect of environmental protection, health and safety, workplace conditions and employment.

## **RELATIONSHIPS WITH STAKEHOLDERS**

The Group recognises employees as its valuable assets and it strictly complies with the labour laws and regulations in Hong Kong and reviews regularly the existing staff benefits for improvement. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as the medical reimbursement, annual dinner, sports activities, etc.

The Group provides good quality services to the customers and maintains a good relationship with them. The Group keeps a database for direct communications with recurring customers for developing long-term business relationships.

The Group maintains effective communications and develops long-term trust relationships with the suppliers. During the year ended 31 March 2023, there was no material dispute or arguments between the Group and the suppliers.

## **DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS**

None of the Directors or any entity connected with any Director had a material interest, whether directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group, to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries was a party as at 31 March 2023 or during the year ended 31 March 2023.

## **DIRECTORS' INTERESTS IN COMPETING BUSINESSES**

During the year ended 31 March 2023 and up to the date of this announcement, none of the Directors or any of their respective close associates (as defined in the GEM Listing Rules) engaged in any business that competed or might compete with the business of the Group, or had any other conflict of interest with the Group.



## **CHANGES IN DIRECTOR'S INFORMATION**

Subsequent to the date of the 2022/23 interim report of the Company, the changes in Director's information as required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules for the year ended 31 March 2023 and up to the date this announcement is set out below:

Mr. Ko Wai Lun Warren has resigned as an independent non-executive Director, chairman of the remuneration committee of the Company and member of each of audit committee of the Company and nomination committee of the Company with effect from 15 June 2023.

Following the resignation of Mr. Ko Wai Lun Warren as an independent non-executive Director with effect from 15 June 2023, the Company has two independent non-executive Directors and the Audit Committee comprises only two members. Following the resignation of Mr. Ko Wai Lun Warren, the Company fails to meet:

- (1) the requirement under Rule 5.05(1) of the GEM Listing Rules, which stipulates the board of directors of a listed issuer must include at least three independent non-executive directors;
- (2) the requirement under Rule 5.28 of the GEM Listing Rules, which stipulates that the audit committee must comprise a minimum of three members.

As such, the Company will make its best endeavors to identify suitable candidate to fill the vacancy as soon as practicable and in any event within three months from 15 June 2023 in order to ensure compliance by the Company with the requirements under the GEM Listing Rules.

## **AUDIT COMMITTEE**

The Audit Committee was established on 26 September 2011 with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The terms of reference of the Audit Committee are available at the websites of the Company and the Stock Exchange. The major roles and functions of the Audit Committee are to review the financial systems of the Group; to review the accounting policies, financial positions and results, and financial reporting procedures of the Group; to communicate with external auditor; to assess the performance of internal financial and audit personnel; to review the risk management system and to assess the internal controls of the Group; and to provide recommendations and advices to the Board on the appointment, re-appointment and removal of external auditor as well as their terms of appointment. The Company has adopted a whistleblowing policy in order to allow the employees or other stakeholders (such as suppliers and customers) of the Group to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Group.

Currently, the Audit Committee consisted of two members, Ms. Li, Tak Yin and Mr. Chung, Man Lai (being the chairman of the Audit Committee), all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company (the “Independent Auditor”). The Audit Committee has reviewed the audited consolidated results of the Group for the year ended 31 March 2023.

## **SCOPE OF WORK OF CL PARTNERS CPA LIMITED**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in this announcement have been agreed by the Company’s Independent Auditor, CL Partners CPA Limited, to the amounts set out in the Group’s consolidated financial statements for the year ended 31 March 2023. The work performed by CL Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the HKICPA and consequently no assurance has been expressed by CL Partners CPA Limited in this announcement.

For and on behalf of  
**Roma (meta) Group Limited**  
**Yue Kwai Wa Ken**  
*Executive Director, Chief Executive Officer,  
Chairman and Company Secretary*

Hong Kong, 21 June 2023

*As at the date of this announcement, the executive Directors are Mr. Yue Kwai Wa Ken (Chairman and Chief Executive Officer) and Mr. Li Sheung Him Michael; and the independent non-executive Directors are Mr. Chung Man Lai and Ms. Li Tak Yin.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the day of its posting. This announcement will also be published on the website of the Company at [www.romagroup.com](http://www.romagroup.com).*