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ORIENTAL PAYMENT GROUP
ORIENTAL PAYMENT GROUP HOLDINGS LIMITED

東方支付集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8613)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

The board (the “**Board**”) of directors (the “**Directors**”) of Oriental Payment Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the audited annual results of the Group for the year ended 31 March 2022 (the “**Annual Results**”). This announcement, containing the full text of the annual report for the year ended 31 March 2022 of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to the information to accompany the preliminary announcement of the Annual Results.

By Order of the Board
Oriental Payment Group Holdings Limited
Dr. Ng Kit Chong
Chairman and executive Director

Hong Kong, 30 June 2022

As at the date of this announcement, the executive Directors are Dr. Ng Kit Chong, Mr. Lin Xiaofeng and Mr. Tsang Chi Kit; the non-executive Directors are Mr. Xiong Wensen and Mr. Shiu Shu Ming; and the independent non-executive Directors are Mr. Chung, Wai Chuen Alfred, Ms. Huang Ping and Mr. Ng Ka Po.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.ocg.com.hk.



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2022

ANNUAL REPORT

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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the “**Director(s)**”) of Oriental Payment Group Holdings 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 report 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 report misleading.*

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Dr. Ng Kit Chong (*Chairman*)

Mr. Lin Xiaofeng (*Chief Executive Officer*)

Mr. Tsang Chi Kit (*Managing Director*)

(appointed as a non-executive Director on 23 February 2022 and redesignated as an executive Director on 6 April 2022)

Non-executive Directors

Mr. Xiong Wensen

Mr. Shiu Shu Ming (appointed on 10 December 2021)

Independent Non-executive Directors

Mr. Chung, Wai Chuen Alfred

Ms. Huang Ping

Mr. Ng Ka Po

BOARD COMMITTEES

Audit Committee

Mr. Chung, Wai Chuen Alfred (*Chairman*)

Ms. Huang Ping

Mr. Ng Ka Po

Remuneration Committee

Mr. Ng Ka Po (*Chairman*)

Ms. Huang Ping

Mr. Chung, Wai Chuen Alfred

Nomination Committee

Ms. Huang Ping (*Chairman*)

Mr. Ng Ka Po

Mr. Chung, Wai Chuen Alfred

COMPLIANCE OFFICER

Mr. Lin Xiaofeng

AUTHORISED REPRESENTATIVES

Mr. Lin Xiaofeng

Mr. Yu Wan Hei

JOINT COMPANY SECRETARIES

Mr. Yu Wan Hei

Mr. Huen Felix Ting Cheung

(appointed on 2 March 2022)

REGISTERED OFFICE

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman, KY1-1111

Cayman Islands

HEADQUARTERS IN THAILAND

24/F., TST Tower

21 Viphavadi-Rangsit Road

Jomphol, Jatujak, Bangkok

10900 Thailand

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2606, 26/F

West Tower, Shun Tak Centre

200 Connaught Road Central

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Conyers Trust Company (Cayman) Limited

SIX, 2nd Floor

Cricket Square, P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33/F

Two Chinachem Exchange Square

338 King's Road

North Point

Hong Kong

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited

Dah Sing Bank Limited

Corporate Information

LEGAL ADVISERS

As to Hong Kong law

Tung & Co.
Office 1601
16/F, LHT Tower
31 Queen's Road Central
Hong Kong

As to Thailand law

Kennedys (Thailand) Limited
Units 2901–2904, 29th Floor
Sathorn Square
98 North Sathorn Road
Silom, Bangrak
Bangkok 10500
Thailand

AUDITOR

Mazars CPA Limited
Certified Public Accountants
42/F, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

STOCK CODE

8613

WEBSITE

www.ocg.com.hk

Chairman's Statement

Dear Shareholders,

On behalf of the board (the “**Board**”) of Directors of Oriental Payment Group Holdings Limited (the “**Company**”), I am pleased to present to you the annual report of the Company and its subsidiaries (collectively the “**Group**”) for the financial year ended 31 March 2022 (the “**Year**”).

REVIEW

The Group is an established merchant acquirer in providing a suite of comprehensive payment processing services to merchants of all sizes frequently visited by Chinese tourists in Thailand. The Group has also engaged in payment processing services to merchants in Singapore through an associate.

During the Year, the Group recorded a decrease in revenue of approximately 68.5% to HK\$3.9 million (2021: approximately HK\$12.4 million). The revenue was mainly derived from its merchant discount rate income (“**MDR income**”), foreign exchange rate discount income, marketing and distribution service income and Environmental, Social and Governance reporting and consultancy services income. The Group recorded a loss attributable to equity holders of the Company of approximately HK\$38.5 million (2021: approximately HK\$30.7 million). The increase in net loss was mainly due to the decrease in revenue and gross profit as a result of the substantial drop of the Chinese tourists' spending in Thailand amid the outbreak of the coronavirus disease 2019 (and other related or mutated form) (“**COVID-19**”) pandemic.

OUTLOOK

The outbreak of the COVID-19 pandemic has a material adverse effect to the business operation of the Group and overall economy in the global business environment. The Group will stay alert to the development and situation of the COVID-19 pandemic, continue to assess its impacts on the financial position and operating results of the Group and take necessary actions to maintain the stability of the businesses.

APPRECIATION

Finally, on behalf of the Board, I would like to express our sincere gratitude to our shareholders, business partners and customers for their continuous support and trust placed in us. I would also like to thank our staff for their tremendous efforts and contributions during the Year. With our competent management and professional teams, I believe the Group will succeed in achieving an exceptional result.

Dr. Ng Kit Chong

Chairman and Executive Director

30 June 2022

Management Discussion and Analysis

BUSINESS REVIEW

Oriental Payment Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) is an established merchant acquirer in providing a suite of comprehensive payment processing services to merchants of all sizes frequently visited by Chinese tourists in Thailand. The Group has also engaged in payment processing services to merchants in Singapore through an associate.

The Group has three main income streams derived from the merchant acquiring business, including (i) the merchant discount rate income (the “**MDR income**”); (ii) the foreign exchange rate discount income; and (iii) the marketing and distribution service income. For each successful transaction processed by the Group via its point-of-sale (“**POS**”) terminals, the MDR income is generated from its merchants based on certain percentage of the transaction value. The Group’s foreign exchange rate discount income is derived from its daily settlement with UnionPay International (“**UPI**”) whereby a favourable spot exchange rate of Baht to United States dollars (“**US\$**”) is offered by UPI for translating the nominated transaction value in Baht. The marketing and distribution service income represents the income derived from developing marketing channels for expanding the use of payment service system through its merchant network.

During the financial year ended 31 March 2022 (the “**Year**”), the Group continuously faced the risks of the uncertainties under the impact of the coronavirus disease 2019 (and other related or mutated form) (“**COVID-19**”) pandemic, which continuously affected Chinese tourists’ spending in Thailand. In particular, the outbreak of the COVID-19 pandemic, which led to the continuous suspension of a majority of the international flights to Thailand, resulted in a material adverse effect to the income of the Group. In order to reduce the business risks in reliance upon tourism, the Group has engaged information technology companies to provide research and design services on other payment related software development, so that it can explore the expansion of businesses relating to payment, marketing and value-added which focus on local consumption in Asia Pacific (including Hong Kong), and businesses relating to cross-border e-commerce collection and payment.

The Group will stay alert to the development and situation of the COVID-19 pandemic, continue to assess its impacts on the financial position and operating results of the Group and take necessary actions to maintain the stability and sustainability of the businesses. The Group will also continue to closely monitor the market conditions and adjust the Group’s business strategies to cope with the fluctuations in the transaction value derived from its merchant network.

FINANCIAL REVIEW

Revenue

During the Year, the Group recorded a total revenue of approximately HK\$3.9 million (2021: approximately HK\$12.4 million) derived from the merchant acquiring business and the Environmental, Social and Governance (“**ESG**”) reporting and consultancy business, which included (i) the MDR income of approximately HK\$2.4 million (2021: approximately HK\$9.9 million); (ii) the ESG reporting services income of approximately HK\$0.7 million (2021: Nil); (iii) the foreign exchange rate discount income of approximately HK\$0.6 million (2021: approximately HK\$2.4 million); (iv) the ESG consultancy services income of approximately HK\$0.2 million (2021: Nil); and (v) the marketing and distribution service income of approximately HK\$29,000 (2021: approximately HK\$35,000). There were decreases in the MDR income and foreign exchange rate discount income by approximately HK\$7.5 million and HK\$1.8 million respectively when comparing with those in the previous financial year. The decreases in these two income streams were primarily due to the facts that some of the Chinese tourists, who were previously stuck in Thailand due to the lockdown in Thailand and closure of airports in the People’s Republic of China (the “**PRC**”), for the previous financial year, had returned to the PRC and also a majority of the international flights to Thailand remained to have not resumed, during the Year. This resulted in a further drop of the Chinese tourists’ spending in Thailand, and hence a further decrease in the transaction volume via UnionPay processed by the Group for the Year as compared with that of the previous financial year. The marketing and distribution service income remained insignificant to the Group’s revenue for the Year.

Cost of services rendered

Cost of services rendered of the Group includes the IT network service fee and franchise license fee for the merchant acquiring business and staff costs for the ESG reporting and consultancy business. The total cost of services rendered for the Year amounted to approximately HK\$3.6 million (2021: approximately HK\$7.9 million). The decrease in cost of services rendered of approximately 54.4% was in line with the decrease in revenue.

Gross profit and gross profit margin

The gross profit for the Year amounted to approximately HK\$0.3 million, representing a decrease of approximately HK\$4.2 million or approximately 93.5% as compared with that of approximately HK\$4.5 million for the previous financial year. The gross profit margin decreased from 36.2% for the previous financial year to 7.4% for the Year which was mainly due to gross loss on the ESG reporting and consultancy business.

General administrative expenses

The general administrative expenses of the Group for the Year amounted to approximately HK\$18.6 million (2021: approximately HK\$17.0 million). The increase in general administrative expenses by approximately 9.4% was mainly due to the decrease in depreciation expenses but offset by (i) the increment in the salaries and benefits for the directors and staff of the Group; and (ii) the increase in the research and development expenses.

Selling and distribution costs

The Group recorded selling and distribution costs of approximately HK\$13.2 million for the Year (2021: approximately HK\$12.0 million). The amount of selling and distribution costs was increased due to the increment of business development expenses and advertising expenses but offset by the decrease in the transaction volume.

Impairment loss on other receivables

The Group assessed impairment loss on other receivables measured on lifetime expected credit loss and reflects the short maturities of the exposures. Impairment loss on other receivables of approximately HK\$2,990,000 was recognised at 31 March 2022 (2021: Nil). Details of the impairment assessment on other receivables are set out in Note 32(iii) to the consolidated financial statements.

Share of results of an associate

The share of losses of an associate of the Group for the Year amounted to approximately HK\$0.6 million (2021: approximately HK\$1.2 million).

Management Discussion and Analysis

Finance costs

The finance costs amounted to approximately HK\$6.1 million for the Year (2021: approximately HK\$2.9 million). The amount represented (i) the effective interest expenses on the convertible bonds, (ii) the finance costs on lease liabilities, (iii) the finance costs on financial liabilities at amortised cost, and (iv) the finance costs of bond issued. The increase was mainly arisen from (i) the effective interest expenses of the convertible bonds, (ii) the finance costs on financial liabilities at amortised costs, and (iii) the finance costs of bond issued. Details of the finance costs are set out in Note 6 to the consolidated financial statements.

Loss for the Year

The Group recorded a net loss attributable to owners of the Company of approximately HK\$38.5 million for the Year (2021: approximately HK\$30.7 million). The recorded net loss was mainly attributable to the aforementioned decreases in revenue and gross profit as a result of the significant drop in the UnionPay transaction volume.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2022, the Group had current assets of approximately HK\$58.1 million (31 March 2021: approximately HK\$66.6 million) including bank balances and cash of approximately HK\$31.4 million (31 March 2021: approximately HK\$29.2 million). Total assets and total liabilities were approximately HK\$82.0 million (31 March 2021: approximately HK\$82.7 million) and HK\$58.5 million (31 March 2021: approximately HK\$35.2 million) respectively as at 31 March 2022.

The gearing ratio, which was calculated by dividing total other long-term liabilities and convertible bonds by total equity, was 83.5% as at 31 March 2022 (31 March 2021: 38.3%).

The Group's operations are financed principally by revenue generated from its business operation, public fund raising and other borrowings. The board (the "**Board**") of directors ("**Director(s)**") of the Company will continue to follow a prudent treasury policy in managing its bank balances and cash and maintain a strong and healthy liquidity to ensure that the Group is well positioned to achieve its business objectives and strategies.

CONTINGENT LIABILITIES

As at 31 March 2022, the Group did not have any material contingent liabilities (2021: Nil).

CAPITAL COMMITMENTS

Save as disclosed in this report, as at 31 March 2022, the Group did not have any significant capital commitments contracted for but not provided in the consolidated financial statements (2021: Nil).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this report, during the Year, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries and affiliated companies (2021: Nil).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this report, the Group did not have any plans for material investment or acquisition of capital assets as at the date of this report. The Company will make further announcement in accordance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”), where applicable, if any investments and acquisition opportunities materialise.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed in this report, during the Year, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group believes that there are certain risks involved in its operations, many of which are beyond its control. Some of the key risks include:

- i. the operation and the profitability may be materially and adversely affected if China UnionPay (“**CUP**”), who is the largest supplier and also one of the Group’s major customers, ceases to partner with us;
- ii. the reliance on a merchant who is the single largest merchant in our five largest customers;
- iii. failure of third-party software and equipment used in the operation of the Group may cause interruptions to the business of the Group;
- iv. the Group’s business is exposed to the foreign exchange risks; and
- v. there are regulatory risks in Thailand hindering the Group’s business and structure.

For a more comprehensive list of risk factors and explanations, please refer to the prospectus of the Company dated 27 September 2018 (the “**Prospectus**”).

Further descriptions of the Group’s financial risks (including foreign currency risk, interest rate risk, credit risk, and liquidity risk) management objectives and policies are set out in Note 32 to the consolidated financial statements.

The Group’s risk management activities are performed by the Board on an ongoing basis. Further descriptions on the Group’s risk management and internal control measures are set out in the section headed “Risk Management and Internal Control” in page 24 in this report.

FOREIGN EXCHANGE EXPOSURE

The Group mainly operates in Thailand with transactions denominated in Baht. The Group exposes to foreign exchange risks as the Group’s trade receivables are denominated in US\$. The Directors and senior management have monitored the related foreign exchange risk exposure closely. Pursuant to a written foreign currency hedging policy approved by the Board, the Group will enter into foreign currency forward contracts should the needs arise. As at 31 March 2022, the Group had no outstanding foreign currency forward contracts for the exchange of US\$ with Baht (31 March 2021: the Group had no outstanding foreign currency forward contracts). The Directors and senior management will continue to monitor the foreign exchange exposure and will consider other applicable derivatives when necessary. The Group did not have other derivatives for hedging against the foreign exchange rate risk as at 31 March 2022.

Management Discussion and Analysis

USE OF PROCEEDS FROM THE LISTING

The shares of the Company were listed on GEM on 16 October 2018 (the “Listing”). The Directors intended to apply the net proceeds from the Listing in accordance with the proposed applications as set out in the Prospectus. The net proceeds received by the Company from the Listing, after deducting underwriting commission and other listing expenses, amounted to approximately HK\$51.1 million. Up to 31 March 2022, the net proceeds from the Listing had been applied as follows:

	Intended use of net proceeds HK\$ million	Amount unutilised as at 31 March 2021 HK\$ million	Amount utilised during the year ended 31 March 2022 HK\$ million	Amount unutilised as at 31 March 2022 HK\$ million
Continuously improving the availability and enhancing functions of the Group’s stock of smart POS terminals	12.8	9.8	–	9.8
Developing the Group’s acquiring host system	8.1	0.5	–	0.5
Strengthening and broadening the Group’s marketing initiatives	1.2	–	–	–
Recruiting new talents	2.2	–	–	–
Extending the Group’s payment processing services to cover other payment network associations	15.1	7.1	–	7.1
Expanding to Cambodia	6.6	1.5	1.1	0.4
Working Capital	5.1	–	–	–
	51.1	18.9	1.1	17.8

The business strategies as set out in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The use of proceeds was applied in accordance with the actual development of the market.

As at the date of this report, the unutilised net proceeds from the Listing amounting to a total of approximately HK\$17.8 million were placed in interest-bearing deposits with authorised financial institutions or licensed banks.

For the unutilised net proceeds from the Listing up to 31 March 2022, the Company intends to use them for the same intended purposes as described in the Prospectus. However, the actual use of proceeds was less than planned as disclosed in the supplemental announcement of the Company dated 29 September 2021 because the continuous outbreak of the COVID-19 pandemic has lead the Company to remain more prudent in applying the proceeds. The Board estimated that the time for utilising the remaining unutilised net proceeds will be within one year from the date of this report.

USE OF PROCEEDS FROM THE PLACING OF THE CONVERTIBLE BONDS

Reference is made to the joint announcements of the Company and China Smartpay Group Holdings Limited dated 10 June 2020 and 26 June 2020 respectively in relation to the issuance of the convertible bonds (the “**Convertible Bonds**”) with a coupon interest rate of 7% per annum, in an aggregate principal amount of HK\$11,850,000 to not less than six independent placees.

The net proceeds from the placing of the Convertible Bonds at the time of its completion under general mandate (the “**Placing**”) on 26 June 2020 (the “**Completion Date**”) were approximately HK\$11,543,000. On 24 June 2022, the Company executed the addendum (the “**Addendum**”) to amend and/or alter the terms and conditions of the Convertible Bonds with a view to giving effect to the extension of the maturity date of the Convertible Bonds for a period of six months and all other terms and conditions of the Convertible Bonds remain unchanged.

The Addendum and the terms and conditions of the Convertible Bonds (as amended by the Addendum) shall take effect subject to the fulfilment of all the conditions precedent as set out in the Addendum. If any of the conditions precedent is not fulfilled on or before 30 September 2022 (or such later date as may be mutually agreed by the Company and the bondholder(s)), the Addendum shall lapse and terminate. None of the conditions precedent is waivable by the Company and the bondholders. Details of the Addendum are set out in the announcement of the Company dated 24 June 2022. As at 31 March 2022, the net proceeds from the Placing had been applied as follows:

	Amount unutilised as at 31 March 2021 HK\$'000	Amount utilised during the year ended 31 March 2022 HK\$'000	Amount unutilised as at 31 March 2022 HK\$'000 (Note)
Exploring investment opportunities in online and offline payment related business in Asia Pacific	9,000	6,000	–
Working capital	2,543	–	–
	11,543	6,000	–

Note:

The continuous outbreak of the COVID-19 pandemic has a significant impact on the tourism industry in Asia Pacific, the Company has placed the unutilised net proceeds in interest-bearing deposits with authorised financial institutions or licensed banks. For the unutilised net proceeds from the Placing up to 31 March 2022, the Company intends to use them for the same intended purposes as previously planned. The Board estimated that the time for utilising the remaining unutilised net proceeds will be within six months from the date of this report. The Company will stay alert to the development and situation of the COVID-19 pandemic and make further announcement(s), if necessary, according to the GEM Listing Rules.

Management Discussion and Analysis

USE OF PROCEEDS FROM THE SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcements of the Company dated 31 January 2022 and 22 February 2022, respectively in relation to the allotment and issue of 200,000,000 new shares of the Company to Mr. Tsang Chi Kit who subsequently became the executive Director and the managing director of the Company (the “Subscription”).

The net proceeds from the Subscription were approximately HK\$15,453,000. As at 31 March 2022, the net proceeds from the Subscription had been applied as follows:

	Intended use of net proceeds HK\$'000	Amount utilised up to 31 March 2022 HK\$'000	Amount unutilised as at 31 March 2022 HK\$'000 (Note)
Any investment as identified by the Group from time to time	4,636	4,301	335
Working capital	10,817	3,912	6,905
	15,453	8,213	7,240

Note:

For the unutilised net proceeds from the Subscription up to 31 March 2022, the Company intends to use them for the same intended purposes as previously planned.

The continuous outbreak for the COVID-19 pandemic has lead the Company to stay prudent in applying the net proceeds, the Company has placed the unutilised net proceeds in interest-bearing deposits with authorised financial institutions or licensed banks. The Board estimated that the time for utilising the remaining unutilised net proceeds for any investment as identified by the Group from time to time by 31 December 2022 and for working capital of the Group by 30 September 2022, respectively.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 March 2022, the Group had a total of 32 employees (31 March 2021: 29 employees) among whom 15 (31 March 2021: 11) were based in Hong Kong, 15 were based in Thailand (31 March 2021: 15) and 2 were based in China (31 March 2021: 3). For the Year, the total staff costs, including key management’s remuneration, amounted to approximately HK\$13.7 million (2021: approximately HK\$12.5 million).

The salaries and benefits of the Group’s employees were kept at a market level and employees were rewarded based on performance, merit and market conditions in accordance with the Group’s remuneration policy.

Profile of Directors and Senior Management

EXECUTIVE DIRECTORS

Dr. Ng Kit Chong (吳傑莊), aged 47, was appointed as the chairman of the Board and the executive Director on 1 December 2020. Dr. Ng is responsible for the Group's strategy business development. Dr. Ng has over 21 years of experience in information technology. Dr. Ng is the founder and chairman of Goldford Business Inc., which principally engages in technology, media and telecommunication, education and creative industries. He is currently an independent non-executive director of Chuang's China Investments Limited (stock code: 298), whose shares are listed on the Main Board of the Stock Exchange. He is also an adjunct professor in the Department of Industrial and System Engineering of the Hong Kong Polytechnic University.

Dr. Ng is a member of Hong Kong Art Development Council, Private Columbaria Licensing Board and Employees Retraining Board. He is a convener of Hong Kong Youth Synergy Foundation, a founding convener of Young Professionals Alliance, a committee member of each of Chinese People's Political Consultative Conference and Guangdong-People's Political Consultative Committee. Dr. Ng was awarded Ten Outstanding Young Digi Person in Hong Kong in 2000, the Innovative Entrepreneur of the Year for 2003 sponsored by Hong Kong Science and Technology Park, and the Top Ten Outstanding Cantonese Youth in Guangzhou in 2013. Dr. Ng is currently a member of the Legislative Council of Hong Kong.

Dr. Ng obtained a bachelor's degree and Ph.D. in Engineering in Manufacturing Engineering from the Hong Kong Polytechnic University in 1996 and 2002, respectively and a post-doctorate research degree in Computer Science and Technology from Tsinghua University in 2006.

Mr. Lin Xiaofeng (林曉峰), aged 49, was appointed as the chairman of the Board, chief executive officer and the executive Director on 30 July 2019. Mr. Lin resigned as the chairman of the Board with effect from 1 December 2020. Mr. Lin is responsible for the Group's day-to-day management. Mr. Lin has extensive experience in corporate finance and venture capital investment. For the period from June 2008 to June 2011, he was a non-executive director of China Shuifa Singyes Energy Holdings Limited (stock code: 750), whose shares are listed on the Main Board of the Stock Exchange. He also served as an executive director of AUPU Group Holding Company Limited ("AUPU") (stock code: 477), whose shares were listed on the Main Board of the Stock Exchange, from August 2011 to September 2013 and was re-designated as a non-executive director of AUPU from September 2013 to September 2016. He also served as an independent non-executive director of Sino Vision Worldwide Holdings Limited (stock code: 8086), whose shares are listed on GEM of the Stock Exchange, from August 2013 to August 2016. Since October 2013, Mr. Lin has been worked as the senior vice president of investment of China Smartpay Group Holdings Limited ("China Smartpay") (stock code: 8325), whose shares are listed on GEM of the Stock Exchange. He is currently an executive director of China Smartpay.

Mr. Lin graduated from the University of Southern Queensland with a master's degree in business administration in 2007.

Mr. Tsang Chi Kit (曾志傑), aged 41, was appointed as the non-executive Director on 23 February 2022 and was subsequently redesignated as the executive Director, and was appointed as the managing director of the Company on 6 April 2022. Mr. Tsang is responsible for the Group's day-to-day management. Mr. Tsang has over 17 years of experience in cross-border M&A, corporate finance and financial accounting & audit. Prior to joining the Group, Mr. Tsang served various senior positions in a multinational corporation, an international investment bank and international advisory firms, where he advised multiple takeover transactions and strategic investments.

Mr. Tsang obtained the Bachelor of Business Administration (Honours) (Accounting) from the Hong Kong Baptist University in 2004 and is a fellow member of The Association of Chartered Certified Accountants.

Profile of Directors and Senior Management

NON-EXECUTIVE DIRECTORS

Mr. Xiong Wensen (熊文森), aged 54, was appointed as the Director on 19 January 2018 and re-designated as the non-executive Director on 6 February 2018 and is primarily responsible for providing professional advice to the Group in respect of management and corporate governance.

Mr. Xiong was the deputy general manager (副總經理) of 上海銀商資訊有限公司 (China Union Loyalty Co. Ltd.*) from September 2006 to September 2007. From October 2008 to May 2014, Mr. Xiong had been the assistant vice president and was later promoted as the vice president and senior vice president, respectively, of 通聯支付網絡服務股份有限公司 (Allinpay Network Service Co., Ltd.*). Mr. Xiong had been an executive director of China Smartpay from June 2014 to July 2018.

Mr. Xiong obtained a bachelor's degree in engineering (Computer Science and Technology) from Tsinghua University in 1990. Mr. Xiong also obtained a master's degree in business administration from Cheung Kong Graduate School of Business in 2005.

Mr. Shiu Shu Ming (蕭恕明), aged 52, was appointed as the non-executive Director on 10 December 2021 and is primarily responsible for providing professional advice to the Group in respect of management and corporate governance.

Mr. Shiu has more than 20 years' experience in corporate finance, mergers and acquisitions, initial public offerings and fund raising exercises in various ventures and projects with a deal portfolio covering private entities, the PRC state-owned enterprises and publicly listed companies in Hong Kong, the PRC, Malaysia, Singapore and Indonesia. From March 2020 to September 2021, Mr. Shiu was appointed as a non-executive director of Golden Century International Holdings Group Limited ("**Golden Century**") (stock code: 91), whose shares are listed on the Main Board of the Stock Exchange. He has been appointed as (i) an independent non-executive director of Tianyun International Holdings Limited (stock code: 6836), whose shares are listed on the Main Board of the Stock Exchange since April 2022, (ii) a non-executive director of Orient Securities International Holdings Limited ("**Orient Securities**") (stock code: 8001), whose shares are listed on GEM of the Stock Exchange since June 2022, and (iii) a joint company secretary of China Smartpay since October 2020.

Mr. Shiu obtained a bachelor's degree in accountancy from the City University of Hong Kong (formerly known as City Polytechnic of Hong Kong) in 1993 and is a member of the Hong Kong Institute of Certified Public Accountants.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chung, Wai Chuen Alfred (鍾偉全), aged 47, was appointed as an independent non-executive Director on 18 September 2018. He is primarily responsible for providing independent advice to the Board. He is also the chairman of the Group's audit committee, a member of the Group's nomination committee and remuneration committee.

Mr. Chung has over 21 years of experience in accounting and auditing with part of his professional career life at Big Four international accounting firm. Currently, he is a director of Crowe (HK) CPA Limited, Certified Public Accountings in Hong Kong, for providing audit and assurance services.

Mr. Chung graduated with a bachelor's degree in business administration from Lingnan College, now known as Lingnan University, in 1998. He is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants.

* For identification purpose only

Profile of Directors and Senior Management

Ms. Huang Ping (黃萍), aged 48, was appointed as an independent non-executive Director on 18 September 2018. She is primarily responsible for providing independent advice to the Board. She is also the chairman of the Group's nomination committee, a member of the Group's audit committee and remuneration committee.

Ms. Huang worked in the People's Bank of China after graduation, she worked as the Deputy Division Chief of the Payment and Settlement Department from May 2008 to November 2010. She was later promoted as the Division Chief of Bank Card Business Management Office from November 2010 to August 2012 and as the Division Chief of Clearing Regulatory Office since August 2012. In August 2016, Ms. Huang was employed as the president of JJJ Bill Exchange (京津冀協同票據交易中心股份有限公司).

Ms. Huang graduated from Renmin University of China with a Doctorate of Political Economics in 2002.

Mr. Ng Ka Po (吳家保), aged 46, was appointed as an independent non-executive Director on 18 September 2018. He is primarily responsible for providing independent advice to the Board. He is also the chairman of the Group's remuneration committee, a member of the Group's audit committee and nomination committee. Mr. Ng has over 18 years of experience in the corporate finance industry. He has joined Optima Capital Limited, a licensed corporation under the SFO principally engaged in provision of corporate finance and related services, in August 2007. He is currently a senior director of corporate finance department of Optima Capital Limited, and a responsible officer for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. He has involved in a wide range of takeover, merger and acquisition, corporate restructuring, initial public offering, privatization and other corporate financial advisory work for Hong Kong listed companies.

Mr. Ng graduated from the Chinese University of Hong Kong with a bachelor of business administration degree in 1998. He obtained a master of business administration degree from the Columbia University in 2010. He is a CPA-Inactive certificate holder in the Washington State of the United States of America. He is also a chartered financial analyst of the CFA Institute.

SENIOR MANAGEMENT

Mr. Yu Chun Fai (余振輝), is the founder of the Group. Mr. Yu is responsible for the business operation in Thailand. He has extensive experience in the card and payment industry. Since November 2004, Mr. Yu had been appointed as a director of Oriental City Group (Thailand) Co., Ltd. ("**OCG Thailand**"). From August 2009 to November 2011, Mr. Yu was the chairman, chief executive officer and executive director of China Smartpay. From October 2018 to July 2019, Mr. Yu was the chairman of the Board, chief executive officer and the executive director of the Company. Mr. Yu is currently an independent non-executive director of New World Department Store China Limited, a company listed on the Main Board of the Stock Exchange (stock code: 825).

Mr. Yu achieved a Bachelor of Business Administration degree from the University of North Texas.

Mr. Yu Wan Hei (余運喜), is the financial controller and joint company secretary of the Company. Mr. Yu is responsible for overall accounting and financial management functions, company secretarial matters and internal control matters of our Group. Mr. Yu has extensive experience in accounting, auditing, corporate finance and company secretarial works.

Mr. Yu obtained a bachelor degree of Business Administration in Accounting from the Hong Kong University of Science and Technology and a master degree of Science in Accountancy from the Hong Kong Polytechnic University. Mr. Yu 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.

Profile of Directors and Senior Management

Ms. Ching Hui Lin, is the country manager of Oriental City Group (Thailand) Co., Ltd. She is responsible for achieving business targets, managing and coordinating between business and team. Before joining our Group, she worked in Sinopay (Malaysia) Sdn Bhd and Sinopay (Singapore) Pted Ltd., which are principally engaged in the provision of professional bankcard services to CUP, banks and other financial institutes in Malaysia, Singapore and Vietnam, from 2006 to 2015 as IT payment system support, technical and merchant support and IT executive, respectively.

Ms. Ching obtained an advanced diploma in science from Tunku Abdul Rahman College in Malaysia and obtained a bachelor degree in science from Campbell University.

Mr. Tan Zhihui (譚志暉), is the vice president of the Company. Mr. Tan is responsible for strategic development of online and offline payment related business in Asia Pacific. Before joining the Group, he has worked in senior management positions for many major e-commerce companies, and has plentiful experience in the fields of e-commerce, network information and third-party payment.

Mr. Tan graduated from the Open University of China.

JOINT COMPANY SECRETARIES

Mr. Yu Wan Hei (余運喜), our financial controller, was appointed as the company secretary of the Company on 1 December 2019 and became the joint company secretary of the Company on 2 March 2022. Mr. Yu ordinarily resides in Hong Kong. Please refer to the sub-section headed “Senior Management” above in this section for further information about Mr. Yu.

Mr. Huen Felix Ting Cheung (禰廷彰), was appointed as the joint company secretary of the Company on 2 March 2022.

Mr. Huen ordinarily resides in Hong Kong. Mr. Huen has extensive experience in the areas of accounting, corporate finance and company secretary. Mr. Huen is currently the responsible officer of Diligent Capital Limited, a licensed corporation registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) to carry out Type 6 (advising on corporate finance) regulated activity, since April 2022. From August 2019 to April 2022, Mr. Huen was the responsible officer of Euto Capital Partners Limited, a licensed corporation registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity.

From April 2020 to September 2021, he was appointed as a joint company secretary and an authorised representative (under Rule 3.05 of the GEM Listing Rules of the Stock Exchange) of Golden Century. Mr. Huen has been appointed as a joint company secretary of Grand Ocean Advanced Resources Company Limited (stock code: 65), whose shares are listed on the Main Board of the Stock Exchange, since August 2021. He has also been appointed as a joint company secretary of Orient Securities since November 2021.

Mr. Huen obtained a bachelor’s degree in arts (Accounting) from Edinburgh Napier University in United Kingdom and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Huen is also a licensed person registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity.

CORPORATE GOVERNANCE PRACTICES

The shares of Oriental Payment Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 16 October 2018 (the “**Listing Date**”). The Company has adopted the principles and the code provisions in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 15 to the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”).

During the year ended 31 March 2022 (the “**Year**”), the Company had complied with the CG Code, except where otherwise stated.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the “**Standard of Dealings**”), as the code of conduct regarding its directors’ securities transactions in the securities of the Company. Having made specific enquiries of all directors (“**Director(s)**”) of the Company, each of the Directors has confirmed that he/she has complied with the Standard of Dealings during the Year.

BOARD OF DIRECTORS

The Directors who held office during the Year and up to the date of this annual report are as follows:

Executive Directors

Dr. Ng Kit Chong (*Chairman*)

Mr. Lin Xiaofeng (*Chief Executive Officer*)

Mr. Tsang Chi Kit (*Managing Director*) (appointed as a non-executive Director on 23 February 2022 and redesignated as an executive Director on 6 April 2022)

Non-executive Directors

Mr. Xiong Wensen

Mr. Shiu Shu Ming (appointed on 10 December 2021)

Independent Non-executive Directors

Mr. Chung, Wai Chuen Alfred

Ms. Huang Ping

Mr. Ng Ka Po

The biographical details of the Directors are set out in the section headed “Profiles of Directors and Senior Management” of this annual report.

Corporate Governance Report

RESPONSIBILITIES OF THE BOARD

The board (the “**Board**”) of Directors is responsible for the leadership and control of the Group, and oversees the Group’s businesses, strategic decisions and performance. The Board is primarily responsible for the formulation of the overall business plans and strategies of the Group, the implementation of the Group’s policies and strategies, monitoring the business performance, internal controls and risk management as well as supervising the management of the Group.

The Board delegates daily management, administration and operation of the Group’s businesses to the management. The delegated functions are reviewed by the Board to ensure that they accommodate the needs of the Group.

The Board also reviewed and considered that the following key features or mechanisms are effective in ensuring that independent views and input are provided to the Board. Independent non-executive Directors’ independence is assessed upon appointment, annually, and at any other time where the circumstances warrant reconsideration. To facilitate proper discharge of their duties, all Directors are entitled to seek advice from the joint company secretaries of the Company as well as from independent professional advisers at the Company’s expense.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his/her appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In accordance with the articles of association of the Company (the “**Articles**”), one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting, 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 offer himself/herself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

DIVERSITY OF THE BOARD

The Company has adopted a Board diversity policy to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

As at the date of this report, there is one female Director on the Board. In the future, the Board will continue to pay due regard to the importance of diversity in identifying potential candidates for directorships and continue to ensure that gender is one of the factors to be considered in appointing Directors by the nomination committee of the Company (the “**Nomination Committee**”).

The Board also recognises the importance of diversity at the workforce level. As at 31 March 2022, the gender ratio of the workforce of the Group (including senior management) was 59:41 male to female.

The Board monitors the implementation of the Board diversity policy to ensure its effectiveness on an annual basis.

The attendance of each Director at the Board meetings and general meetings of the Company during the Year is set out below:

Directors	Number of meetings attended/ number of Board meetings held	Number of meetings attended/ number of general meetings held
<i>Executive Directors</i>		
Dr. Ng Kit Chong	18/18	1/1
Mr. Lin Xiaofeng	18/18	1/1
Mr. Tsang Chi Kit (appointed as a non-executive Director on 23 February 2022 and redesignated as an executive Director on 6 April 2022)	3/3	–/–
<i>Non-executive Directors</i>		
Mr. Xiong Wensen	18/18	1/1
Mr. Shiu Shu Ming (appointed on 10 December 2021)	10/10	–/–
<i>Independent Non-executive Directors</i>		
Mr. Chung, Wai Chuen Alfred	18/18	1/1
Ms. Huang Ping	18/18	1/1
Mr. Ng Ka Po	18/18	1/1

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dr. Ng Kit Chong, an executive Director and the chairman of the Board, is responsible for the leadership of the Board to ensure that it works effectively and discharges its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. Mr. Lin Xiaofeng, an executive Director and the chief executive officer of the Company, heads the management for implementing the strategies and policies adopted by the Board and focuses on the day-to-day operations of the Group.

NON-EXECUTIVE DIRECTORS

All non-executive Directors (including independent non-executive Directors) have been appointed for a fixed term. Pursuant to the letters of appointment between the Company and the non-executive Directors, the non-executive Directors have been appointed for a term of three years which may be terminated by giving prior written notice to the other party subject to the prescribed terms as stated in the letter of appointment. Every Director is subject to re-election on retirement by rotation in accordance with the Articles.

The Company has complied with Rule 5.05 of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors, with at least one of them have appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent in accordance with the independence guidelines set out in the GEM Listing Rules.

Corporate Governance Report

BOARD COMMITTEES

Audit Committee

The Company established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the code provision C.3 (now rearranged as D.3) of the CG Code. The Audit Committee consists of three independent non-executive Directors namely Mr. Chung, Wai Chuen Alfred, Ms. Huang Ping and Mr. Ng Ka Po. Mr. Chung, Wai Chuen Alfred is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent review of the effectiveness of the Company’s financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board. The Audit Committee has reviewed with the management the accounting standards and practices adopted by the Group, and discussed auditing, internal control, risk management and financial reporting matters including the review of annual results and financial statements for the Year.

The Audit Committee held four meetings during the Year. The Audit Committee reviewed the Group’s audited consolidated financial information for the year ended 31 March 2021 (the “**Previous Year**”) and unaudited consolidated financial information for the three months ended 30 June 2021, the six months ended 30 September 2021 and the nine months ended 31 December 2021 respectively, discussed audit scope and findings with the Company’s independent auditor, reviewed the Group’s financial reporting system and risk management and internal control system, and made recommendations to the Board, among others, regarding the approval of the financial information and the appointment and remuneration of the external auditor.

The attendance of each member of the Audit Committee at the Audit Committee meetings during the Year is set out below:

Committee members	Number of meetings attended/number of Audit Committee meetings held
Mr. Chung, Wai Chuen Alfred (<i>Chairman of the Audit Committee</i>)	4/4
Ms. Huang Ping	4/4
Mr. Ng Ka Po	4/4

Remuneration Committee

The Company established a remuneration committee (the “**Remuneration Committee**”) with written terms of reference in compliance with code provision B.1 (now rearranged as E.1) of the CG Code. The remuneration committee consists of three independent non-executive Directors, namely Mr. Ng Ka Po, Mr. Chung, Wai Chuen Alfred and Ms. Huang Ping. Mr. Ng Ka Po is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include (but without limitation): (i) making recommendations to the Board on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration packages of the Directors and senior management; and (iii) reviewing and approving performance-based remuneration with reference to corporate goals and objectives resolved by the Directors from time to time.

The Remuneration Committee held 3 meetings during the Year. The Remuneration Committee reviewed the remuneration policy of the Company, assessed the performance of the executive Directors and senior management of the Group and recommended specific remuneration packages of the Directors and senior management of the Company to the Board.

The attendance of each member of the Remuneration Committee at the Remuneration Committee meeting during the Year is set out below:

Committee members	Number of meeting attended/Number of Remuneration Committee meeting held
Mr. Ng Ka Po (<i>Chairman of the Remuneration Committee</i>)	3/3
Mr. Chung, Wai Chuen Alfred	3/3
Ms. Huang Ping	3/3

Nomination Committee

The Company also established the Nomination Committee with written terms of reference in compliance with paragraph A.5 (now rearranged as B.3) of the CG Code. The Nomination Committee consists of three independent non-executive Directors, namely Ms. Huang Ping, Mr. Chung, Wai Chuen Alfred and Mr. Ng Ka Po. Ms. Huang Ping is the chairman of the Nomination Committee.

The primary function of the Nomination Committee is to review the structure, size and diversity of the Board (including but without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service), to make recommendations on proposed changes to the Board, and to assess the independence of the independent non-executive Directors.

All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee held 3 meetings during the Year in which the Nomination Committee reviewed the structure, size, composition and diversity of the Board.

Corporate Governance Report

The attendance of each member of the Nomination Committee at the Nomination Committee meeting during the Year is set out below:

Committee members	Number of meeting attended/Number of Nomination Committee meeting held
Ms. Huang Ping (<i>Chairman of the Nomination Committee</i>)	3/3
Mr. Chung, Wai Chuen Alfred	3/3
Mr. Ng Ka Po	3/3

BOARD MEETINGS

Pursuant to the requirement of Code C.5.1 of the CG Code, the Board hold at least four regular meetings a year. For each regular Board meeting, at least 14 days' notice will be given to the Board members. For other Board and committee meetings, reasonable notices are generally given. An agenda and board papers of the regular Board meetings are sent to all Directors in advance within reasonable time and all Directors are free to contribute and share their views at the meeting. Minutes of all Board and committee meetings are circulated to the Directors and open for inspection by the Directors.

The Articles contains provisions requiring the Directors to abstain from voting and not to be counted in the quorum at meetings for approving any contract or arrangement or any other proposal in which such Directors or any of their close associates have a material interest.

CORPORATE GOVERNANCE FUNCTIONS

According to code provision D.3.1 (now rearranged as A.2) of the CG Code, the Board is responsible for performing the corporate governance duties of the Company.

The Board reviewed the Company's corporate governance policies and practices, continuous professional development of Directors, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the GEM Listing Rules, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

The Company has arranged for appropriate insurance covering the liabilities in respect of any legal action against the Directors that may arise out of the corporate activities, so as to comply with the CG Code. The insurance coverage is reviewed on an annual basis.

FINANCIAL REPORTING

The Directors acknowledge their responsibilities for the preparation of the consolidated financial statements of the Group. In preparing the consolidated financial statements for the Year, the Group has selected suitable accounting policies in accordance with suitable accounting principles and applied them consistently. A statement by the auditor of the Company about its responsibilities for the consolidated financial statements is set out in the independent auditor's report contained in this annual report. The Directors adopt a going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

CONTINUING PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

Pursuant to the code provision A.6.5 (now rearranged as C.1.4) of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. For the Year, each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations. All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. All of them have attended seminars and/or read materials and update relating to the latest development of the GEM Listing Rules and other applicable regulatory requirements.

All Directors pursued continuous professional development and relevant details are set out below:

	Attending seminars/ conferences/ forums	Reading journals/ updates/ articles/ materials
<i>Executive Directors</i>		
Dr. Ng Kit Chong (<i>Chairman</i>)	✓	✓
Mr. Lin Xiaofeng (<i>Chief Executive Officer</i>)	✓	✓
Mr. Tsang Chi Kit (appointed as a non-executive Director on 23 February 2022 and redesignated as an executive Director on 6 April 2022)	✓	✓
<i>Non-executive Directors</i>		
Mr. Xiong Wensen	✓	✓
Mr. Shiu Shu Ming (appointed on 10 December 2021)	✓	✓
<i>Independent non-executive Directors</i>		
Mr. Chung, Wai Chuen Alfred	✓	✓
Ms. Huang Ping	✓	✓
Mr. Ng Ka Po	✓	✓

JOINT COMPANY SECRETARIES

Mr. Yu Wan Hei and Mr. Huen Felix Ting Cheung are the joint company secretaries of the Company. Please refer to the section headed "Profile of Directors and Senior Management" of this annual report for the biographical details of the joint company secretaries of the Company. Mr. Yu and Mr. Huen are responsible for advising the Board regarding corporate governance issues, and ensuring the operations of the Board and the Group in compliance with the policies and procedures of the Board, applicable laws, rules and regulations. For the Year, in order to more effectively perform his duties and to fulfill the requirements of the GEM Listing Rules, each of Mr. Yu and Mr. Huen accepted professional training not less than 15 hours in total.

AUDITOR'S REMUNERATION

For the Year, the remuneration in respect of the audit services provided by the auditor, Mazars CPA Limited, amounted to HK\$560,000. Besides the audit service fee, the Company has paid HK\$108,000 to the auditor for non-audit services.

The auditor's remuneration disclosed in Note 6 to the consolidated financial statements of approximately HK\$68,000 was paid to the statutory auditor of an oversea subsidiary of the Company (not Mazars CPA Limited).

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining appropriate and effective risk management and internal control systems of the Group. The Board has delegated the responsibility to the Audit Committee to review the Group's risk management and internal control matters annually.

For the Year, the Group did not have an internal audit function as required under code provision C.2.5 of the CG Code. The Company has engaged an external independent consultant on internal control to review the Group's risk management and internal control systems. The relevant report on the Group's risk management and internal control systems during the Year from the external independent consultant was presented to and reviewed by the Audit Committee and the Board. The Board considered the risk management and internal control systems of the Group to be adequate and effective for the Year.

THE SHAREHOLDERS' RIGHTS TO CONVENE AN EXTRAORDINARY GENERAL MEETING AND PUT FORWARD PROPOSALS AT SUCH MEETING

Pursuant to Article 58 of the Articles, 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 shall at all time have the right, by written requisition to the Board or the secretary of the Company at the principal place of business of the Company in Hong Kong, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If within 21 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. Information about the principal place of business in Hong Kong of the Company is set out in the section headed "Corporate Information".

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

To ensure that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, the Company has established several channels to communicate with the shareholders as follows:

- (i) corporate communications such as annual reports, interim reports, quarterly reports and circulars are issued in printed form and are available on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.ocg.com.hk;
- (ii) periodic announcements are published on the websites of the Stock Exchange and the Company;
- (iii) corporate information is made available on the Company's website; and
- (iv) annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management.

The Company keeps on promoting investor relations and enhancing communication with the existing shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong. Information about the principal place of business in Hong Kong of the Company is set out in the section headed "Corporate Information". In view of the above, the Company has reviewed the implementation and effectiveness of the shareholders' communication policy adopted during the Year, and considered the policy effective.

CONSTITUTIONAL DOCUMENTS

The Company adopted the amended and restated memorandum and articles of association of the Company which took effect from 16 October 2018. A copy of such amended and restated memorandum and articles of association of the Company is posted on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.ocg.com.hk. During the Year, no amendment has been made to the Company's existing amended and restated memorandum and articles of association.

To comply with the amendments to the GEM Listing Rules which came into effect on 1 January 2022, the Company proposed to amend its existing amended and restated articles of association by way of adoption of a second amended and restated articles of association of the Company to be in line with the relevant requirements of the applicable laws of the Cayman Islands and the amended GEM Listing Rules. For details, please refer to the announcement of the Company dated 15 June 2022.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Further details of the Group's commitment and strategies to sustainability and the performance in environmental contributions, employee relations, supply chain management, occupational health and safety and social investments of the core businesses of the Group for the year ended 31 March 2022 will be set out in the Group's Environmental, Social and Governance Report for the year ended 31 March 2022, which will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.ocg.com.hk before the end of August 2022.

Report of the Directors

The Directors are pleased to present this annual report and the audited consolidated financial statements of Oriental Payment Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2022 (the “**Year**”).

PRINCIPAL ACTIVITIES

The Company is an investment holding company and together with its subsidiaries are principally engaged in merchant acquiring business in Thailand. The Group has also engaged in payment processing services to merchant in Singapore through an associate. Details of its principal subsidiaries as at 31 March 2022 are set out in Note 12 to the consolidated financial statements.

BUSINESS REVIEW AND FUTURE BUSINESS DEVELOPMENT

A review of the business of the Group during the Year and a discussion of the Group’s achievement of its business objectives as stated in the prospectus of the Company dated 27 September 2018 (the “**Prospectus**”) and future business developments of the Group are respectively set out in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this annual report. A review of the Company’s environment policies and performance will be set out in the Group’s Environmental, Social and Governance Report for the year ended 31 March 2022 to be issued before the end of August 2022. A review on how the Company had complied with relevant laws and regulations during the Year is set out in the section headed “Corporate Governance Report”.

The risks and uncertainties that the Group may be facing are set out in the section headed “Management Discussion and Analysis” of this annual report.

GROUP REORGANISATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 19 January 2018. Pursuant to a group reorganisation (the “**Reorganisation**”) in preparation for the listing of shares of the Company on GEM of The Stock Exchange (the “**Listing**”), the Company became the holding company of the subsidiaries now comprising the Group. Details of the Reorganisation are set out in the Prospectus.

SEGMENT INFORMATION

Details of segment information are set out in Note 3 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year and the financial positions of the Company and the Group as at 31 March 2022 are set out in the audited consolidated financial statements on pages 39 to 103 of this annual report.

DIVIDEND POLICY

The Group currently does not have a pre-determined dividend payout ratio. Dividends may be paid out by cash or other means that the Group considers appropriate. The declaration and payment of any interim dividends would require the recommendation of the Board and will be at their discretion. In addition, any final dividend for a financial year will be subject to the shareholders’ approval. A decision to declare or to pay any dividends in the future, and the amount of any dividends, depends on a number of factors, including the operation performance, financial condition, the payment by the subsidiaries of cash dividends to the Group, and other factors the Board may deem relevant. There is no assurance that the Group will be able to declare or distribute any dividends in the amount set out in any plan of the Board or at all.

The Board does not recommend the payment of a final dividend for the Year (2021: Nil).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 104 of this annual report. This summary does not form part of the audited consolidated financial statements in this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the revenue attributable to the Group's largest customer accounted for approximately 14.9% (2021: approximately 19.3%) of the Group's total revenue and the revenue attributable to the Group's five largest customers accounted for approximately 45.7% (2021: approximately 48.8%) of the Group's total revenue.

During the Year, the costs incurred in respect of the Group's largest supplier accounted for approximately 50.5% (2021: approximately 100%) of the Group's total cost of services rendered and the costs incurred in respect of the Group's five largest suppliers accounted for approximately 97.9% (2021: two largest suppliers accounted for 100%) of the Group's total costs of services rendered.

None of the Directors or any of their close associates, or any shareholder of the Company (who to the knowledge of the Directors own 5% or more of the issued shares of the Company) had any beneficial interest in any of the Group's major customers or suppliers during the Year.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in Note 15 to the consolidated financial statements.

INTANGIBLE ASSETS

Details of the movements in the intangible assets of the Group during the Year are set out in Note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Year are set out in Note 28 to the consolidated financial statements.

DEBENTURES

Save as disclosed in Notes 23 and 27 to the consolidated financial statements, the Company did not issue any debentures during the Year.

RESERVES

Details of the movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity on pages 41 to 42 and in Note 36(a) to the consolidated financial statements respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

Details of the movements in the reserves available for distribution of the Company during the Year are set out in Note 36(a) to the consolidated financial statements. As at 31 March 2022, the Company had no reserves available for distribution as calculated in accordance with statutory provisions applicable in the Cayman Islands (2021: HK\$8.7 million).

Report of the Directors

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

None of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

PRE-EMPTIVE RIGHTS

There is no provisions for pre-emptive rights under the Articles of Association of the Company (the "**Articles**") or the laws of the Cayman Islands, the jurisdiction in which the Company was incorporated, which would oblige the Company to offer shares on a pro rata basis to its existing shareholders of the Company.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "**Share Option Scheme**") on 18 September 2018. The purpose of the Share Option Scheme is to grant options (the "**Option(s)**") to subscribe for the shares of the Company to eligible persons as defined in the Share Option Scheme as incentives or rewards for the service rendered to the Group and any entity in which any member of the Group holds any equity interest.

Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption on 18 September 2018. Since the date of adoption of the Share Option Scheme and up to 31 March 2022, no Option has been granted by the Company. As at the date of this annual report, the Company has 100,000,000 shares available for issue under the Share Option Scheme (representing approximately 8.33% of the total number of the existing issued shares of the Company as at the date of this annual report) pursuant to the provisions of the Share Option Scheme. Details of the Share Option Scheme are set out in the Prospectus.

EQUITY-LINKED AGREEMENTS

Save and except for the Share Option Scheme as disclosed in the paragraph headed "Share Option Scheme" above, no equity-linked agreement that (i) will or may result in the Company issuing shares or (ii) requires the Company to enter into any agreement that will or may result in the Company issuing shares, was entered into by the Company during the Year or subsisted at the end of the Year.

DONATION

During the Year, the Group did not make any charitable donation with the amount not less than HK\$10,000 in accordance with relevant disclosure requirement under Hong Kong Companies Ordinance (2021: Nil).

USE OF PROCEEDS FROM THE LISTING

The net proceeds from the Listing, after deduction of underwriting fees and other expenses payable by the Company in connection with the Listing, were approximately HK\$51.1 million. Details of the use of proceeds are set out in the section headed "Management Discussion and Analysis" of this annual report.

USE OF PROCEEDS FROM THE PLACING OF THE CONVERTIBLE BONDS

The net proceeds from the placing of the convertible bonds (the "**Convertible Bonds**") at the time of its completion under general mandate on 26 June 2020 were approximately HK\$11.5 million. Details of the use of proceeds are set out in the section headed "Management Discussion and Analysis" of this annual report.

USE OF PROCEEDS FROM THE SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The net proceeds from the allotment and issue of new shares at the time of its completion under general mandate on 22 February 2022 were approximately HK\$15.5 million. Details of the use of proceeds are set out in the section headed "Management Discussion and Analysis" of this annual report.

DIRECTORS

The Directors during the Year and up to the date of this annual report are as follows:

Executive Directors

Dr. Ng Kit Chong (*Chairman*)

Mr. Lin Xiaofeng (*Chief Executive Officer*)

Mr. Tsang Chi Kit (*Managing Director*) (appointed as a non-executive Director on 23 February 2022 and redesignated as an executive Director on 6 April 2022)

Non-executive Directors

Mr. Xiong Wensen

Mr. Shiu Shu Ming (appointed on 10 December 2021)

Independent Non-executive Directors

Mr. Chung, Wai Chuen Alfred

Ms. Huang Ping

Mr. Ng Ka Po

Profiles of the Directors are set out in the section headed "Profiles of Directors and Senior Management" of this annual report.

Article 83(3) of the Articles states that "any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election."

Article 84(1) of the Articles states that "notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) 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."

Article 84(2) of the Articles also states that "any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation."

A retiring Director shall be eligible for re-election in the corresponding annual general meeting. Particulars of Directors seeking re-election at the forthcoming annual general meeting are set out in the related circular to shareholders.

Report of the Directors

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for an initial term of three years commencing from 16 October 2018 (the “**Listing Date**”) or the date of appointment, as the case may be, and shall renew automatically thereafter unless and until terminated by (i) the Company giving to any Director not less than three months' prior notice in writing or (ii) by any Director giving to the Company not less than one month's prior notice in writing and is subject to termination provisions therein and in the Articles.

Each of the non-executive Directors (including the independent non-executive Directors) has entered into a letter of appointment with the Company for a term of three years which may be terminated by giving prior notice in writing to the other party subject to the prescribed terms as stated in the letter of appointment.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors a confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers all the independent non-executive Directors to be independent.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emolument of the Directors and five individuals with highest emoluments are set out in Notes 7 and 8 to the consolidated financial statements respectively.

EMOLUMENT POLICY

The emolument policy of the Group is on the basis of the qualifications and contributions of individuals to the Group. The Company has adopted the Share Option Scheme as an incentive to eligible employees, details of which are set out in the paragraph headed “Share Option Scheme” above.

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to the Directors' duties, responsibilities and performance, the results of the Group and comparable market practices.

DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Save as disclosed in Note 7 to the consolidated financial statements, no transaction, arrangement or contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity associated with him/her has or had a material interest, whether directly or indirectly, subsisted at any time during the Year.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles, every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about execution of duties of his/her office or otherwise in relation thereto provided that such indemnity shall not extend to any matter in respect of fraud or dishonesty committed by the Director.

CORPORATE GOVERNANCE

The Board is of the view that the Company has met the code provisions set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 15 to the GEM Listing Rules. A report on the principal corporate governance practices adopted by the Company is set out in the section headed “Corporate Governance Report” of this annual report.

ENVIRONMENTAL PROTECTION

The Group recognises its responsibility to protect the environment from its business activities. The Group has endeavored to comply with the laws and regulations regarding environmental protection and encourages environmental protection and promotes awareness towards environmental protections among our staff and employees.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, to the best of knowledge of the Directors, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group's management policies, working environment, career prospects and employees' benefits have contributed to building good employee relations and employee retention for the Group. The Group offers competitive remuneration packages commensurate with industry practice, provides various fringe benefits to employees and internal training appropriate to individual needs. The management regularly reviews its employees' remuneration packages to ensure that they are up to prevailing market standard. The Group has established long-term business relationships with its major suppliers and customers. The Group will endeavour to maintain its established relationships with these existing suppliers and customers.

RELATED PARTY TRANSACTIONS

Details of the related party transactions are set out in Note 31 to the consolidated financial statements. Those related party transactions did not constitute connected transactions under the GEM Listing Rules.

Report of the Directors

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

As at 31 March 2022, the interests and/or short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name	Capacity/Nature of interest	Number of shares (Note 1)	Appropriate percentage of interest in the Company (Note 2)
Mr. Tsang Chi Kit (“Mr. Tsang”)	Beneficial owner	200,000,000(L)	16.67%
Mr. Shiu Shu Ming (“Mr. Shiu”)	Interest in a controlled corporation (Note 3)	41,000,000(L)	3.42%

Notes:

- (1) “L” denotes long position and “S” denotes short position.
- (2) The calculation is based on the total number of 1,200,000,000 shares of the Company in issue as at 31 March 2022.
- (3) Mr. Shiu holds the entire issued share capital in Best Practice. Pursuant to the disclosure of interest notice filed by Best Practice Limited (“Best Practice”) on 16 March 2022, 41,000,000 shares of the Company have been pledged to Best Practice pursuant to a loan agreement dated 14 March 2022 entered into between an independent third party as chargor and Best Practice as lender. Accordingly, Mr. Shiu is deemed to be interested in such number of shares of the Company in which Best Practice is interested for the purpose of the SFO.

Save as disclosed above, as at 31 March 2022, none of the Directors or chief executive of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraphs headed “Directors’ and Chief Executives’ Interests in Securities” and “Share Option Scheme” above, at no time during the Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director, their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was each of the Company, its holdings company, or and any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age, to acquire such rights by means of the acquisition of shares in or debentures of the Company and/or its associated corporations (within the meaning SFO).

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

As at 31 March 2022, so far as known to the Directors, the following persons/entities (other than a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

Name	Capacity/Nature of interest	Number of shares (Note 1)	Approximate percentage of interest in the Company (Note 2)
Straum Investments Limited ("Straum Investments") (Note 3)	Beneficial owner	138,000,000 (L)	11.50%
Mr. Yu Chun Fai ("Mr. Yu") (Note 3)	Interest in a controlled corporation	138,000,000 (L)	11.50%
Ms. Choi Hiu Wa ("Ms. Choi") (Note 4)	Interests of spouse	138,000,000 (L)	11.50%
Ms. Sui Xiaochun ("Ms. Sui") (Note 5)	Beneficial owner	89,040,000 (L)	7.42%
Original Fortune Group Limited ("Original Fortune") (Note 6)	Beneficial owner	67,500,000 (L)	5.63%
Mr. Sung Hak Keung, Andy ("Mr. Sung") (Note 6)	Interest in a controlled corporation	67,500,000 (L)	5.63%

Notes:

- (1) "L" denotes long position and "S" denotes short position.
- (2) The calculation is based on the total number of 1,200,000,000 shares of the Company in issue as at 31 March 2022.
- (3) Mr. Yu holds the entire issued share capital of Straum Investments. Straum Investments, in turn, directly holds 138,000,000 shares of the Company. Accordingly, Mr. Yu is deemed to be interested in those 138,000,000 shares of the Company which Straum Investments is interested in by virtue of the disclosure requirements of the SFO.
- (4) Ms. Choi is the wife of Mr. Yu and Mr. Yu is deemed to be interested in the 138,000,000 shares of the Company as stated in Note (3) above. Accordingly, Ms. Choi is deemed to be interested in those 138,000,000 shares of the Company which Mr. Yu is deemed to be interested in by virtue of the disclosure requirements of the SFO.
- (5) Pursuant to the disclosure of interest notice filed by Ms. Sui on 25 February 2022, these 89,040,000 shares of the Company are held by her.
- (6) Mr. Sung holds the entire issued share capital of Original Fortune. Original Fortune, in turn, directly holds 67,500,000 shares of the Company. Accordingly, Mr. Sung is deemed to be interested in those 67,500,000 shares of the Company which Original Fortune is interested in by virtue of the disclosure requirements of the SFO.

Save as disclosed above, as at 31 March 2022, the Directors were not aware of any other persons (other than a Director or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or in existence during the Year.

Report of the Directors

COMPETING INTERESTS

None of the Directors and controlling shareholders of the Company nor their respective associates (as defined under the GEM Listing Rules) had any interest in any other companies as at 31 March 2022 which may, directly or indirectly, compete with the Group's business.

DEED OF NON-COMPETITION

China Smartpay Group Holdings Limited ("**China Smartpay**") and Charm Act Group Limited ("**Charm Act**"), being the then controlling shareholders (as defined under the GEM Listing Rules) of the Company up until 2 March 2022, entered into a deed of non-competition dated 18 September 2018 in favour of the Company (the "**Deed of Non-Competition**"). Details of the Deed of Non-Competition was set out in the Prospectus.

The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by China Smartpay and Charm Act up until 2 March 2022.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained sufficient public float under the GEM Listing Rules since the Listing Date and up to the latest practicable date prior to the issue of this annual report.

AUDITOR

The consolidated financial statements for the Year were audited by Mazars CPA Limited, Certified Public Accountants. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Mazars CPA Limited as the auditor of the Company.

EVENTS AFTER THE REPORTING PERIOD

On 17 May 2022, the Company entered into a placing agreement with three placing agents (the "**Placing Agents**"), pursuant to which the Company agreed to place through the Placing Agents up to a maximum of 150,000,000 placing shares (the "**Placing Share(s)**") to not less than six placees (the "**Placees**") at a placing price of HK\$0.2 per Placing Share on a best effort basis. The Placing Shares will be allotted and issued by the Company to the Placee(s) under a specific mandate, which is subject to shareholders' approval at an extraordinary general meeting to be convened by the Company. For details, please refer to the Company's announcement dated 17 May 2022.

On 24 June 2022, the Company executed the addendum (the "**Addendum**") to amend and/or alter the terms and conditions of the Convertible Bonds issued by the Company on 26 June 2020 with a view to giving effect to the extension of the maturity date of the Convertible Bonds for a period of six months and all other terms and conditions of the Convertible Bonds remain unchanged.

The Addendum and the terms and conditions of the Convertible Bonds (as amended by the Addendum) shall take effect subject to the fulfilment of all the conditions precedent as set out in the Addendum. If any of the conditions precedent is not fulfilled on or before 30 September 2022 (or such later date as may be mutually agreed by the Company and the bondholders), the Addendum shall lapse and terminate. None of the conditions precedent is waivable by the Company and the bondholders. Details of the Addendum are set out in the announcement of the Company dated 24 June 2022.

On behalf of the board

Dr. Ng Kit Chong

Chairman

Hong Kong, 30 June 2022



MAZARS CPA LIMITED

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Website 網址: www.mazars.hk

To the members of
Oriental Payment Group Holdings Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Oriental Payment Group Holdings Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 39 to 103, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to the “Going concern” section in note 2 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. The Group incurred loss before tax of approximately HK\$39,482,000 for the year ended 31 March 2022 and, as at that date, the Group's total trade and other payables, bond payable, lease liabilities, other liabilities and liability component of convertible bonds amounted to approximately HK\$58,416,000, of which approximately HK\$52,137,000 are due for repayment within the next twelve months after 31 March 2022, and also the Group had only bank balances and cash of approximately HK\$31,410,000. These conditions, along with other matters as set forth in note 2 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The board of directors, having considered the plans and measures being taken by the Group, are of opinion that the Group would be able to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditor's Report

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended 31 March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the “*Material Uncertainty Related to Going Concern*” section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter

How our audit addressed the Key Audit Matter

Preference shares structure

Refer to significant accounting policy and critical accounting estimate and judgement in Note 2 and the disclosures of the relevant entity in Note 12 to the consolidated financial statements respectively

At 31 March 2022, Oriental City Group (Thailand) Co., Ltd. (“**OCG Thailand**”) had issued 2,500,000 ordinary shares and 2,550,000 preference shares (the “**Preference Shares Structure**”).

With reference to the Preference Shares Structure of OCG Thailand, all the OCG Thailand's issued preference share capital is owned by a Thai citizen. However, the Group is able to exercise majority voting power in any shareholders' meeting of OCG Thailand. Therefore the Group is able to control the operations of OCG Thailand by exercising its majority voting power in any shareholders' meeting of OCG Thailand.

We have identified the above matter as a key audit matter because OCG Thailand is material to the Group and the determination of whether the Group has control over OCG Thailand under the Preference Shares Structure involves a significant degree of management judgement.

Our key procedures, among others, included:

- a) enquired of the management whether OCG Thailand received any queries and objections regarding material offences, violations or breaches of laws or regulations in Thailand in respect of the Preference Shares Structure;
- b) assessed the management's monitoring of all applicable laws and regulations in Thailand to ensure the compliance of the Preference Shares Structure with those laws and regulations;
- c) obtained an updated advice from the Company's legal counsel whether the Preference Shares Structure is still in compliance with the relevant laws and regulations in Thailand; and
- d) evaluated the competence, capabilities and objectivity of the Company's legal counsel.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 2021/2022 annual report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

Independent Auditor's Report

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 30 June 2022

The engagement director on the audit resulting in this independent auditor's report is:

Fong Chin Lung
Practising Certificate number: P07321

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 March 2022

	Note	2022 HK\$'000	2021 HK\$'000
Revenue	4	3,891	12,369
Cost of services rendered		(3,602)	(7,897)
Gross profit		289	4,472
Other income	5	1,695	2,993
General administrative expenses		(18,552)	(16,964)
Selling and distribution costs		(13,225)	(11,977)
Impairment loss on intangible assets	17	–	(5,600)
Impairment loss on other receivables	32	(2,990)	–
Finance costs	6	(6,074)	(2,859)
Share of results of an associate	13	(625)	(1,182)
Loss before tax	6	(39,482)	(31,117)
Income tax credit	9	976	462
Loss for the year		(38,506)	(30,655)
Other comprehensive (loss) income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive loss of an associate			
– exchange difference on translation		–	72
Exchange difference on translation of foreign subsidiaries		(851)	1,361
Other comprehensive (loss) income for the year, net of tax		(851)	1,433
Total comprehensive loss for the year		(39,357)	(29,222)
Loss per share			
		HK cents	HK cents
Basic	10	(3.77)	(3.07)
Diluted	10	(3.77)	(3.07)

Consolidated Statement of Financial Position

At 31 March 2022

	Note	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Interest in an associate	13	355	980
Financial asset at FVPL	14	300	300
Property, plant and equipment	15	4,981	7,662
Right-of-use assets	16	1,626	845
Intangible assets	17	4,153	5,989
Prepayment for software development expenditure	19	12,000	–
Deferred tax assets	25	530	282
		23,945	16,058
Current assets			
Trade receivables	18	519	162
Other receivables	18	23,611	32,261
Due from the former ultimate holding company	18	–	2,375
Income tax recoverable		2,440	2,499
Restricted funds	20	75	75
Bank balances and cash	21	31,410	29,237
		58,055	66,609
Current liabilities			
Trade payables	22	1,852	1,344
Other payables	22	18,986	14,073
Bond payable	23	16,274	–
Lease liabilities	24	1,356	837
Liability component of convertible bonds	27	13,669	–
		52,137	16,254
Net current assets		5,918	50,355
Total assets less current liabilities		29,863	66,413
Non-current liabilities			
Lease liabilities	24	279	11
Deferred tax liabilities	25	40	768
Other long term liabilities	26	6,000	6,327
Liability component of convertible bonds	27	–	11,859
		6,319	18,965
NET ASSETS		23,544	47,448
Capital and reserves			
Share capital	28	12,000	10,000
Reserves		11,544	37,448
TOTAL EQUITY		23,544	47,448

These consolidated financial statements on pages 39 to 103 were approved and authorised for issue by the Board of Directors on 30 June 2022 and signed on its behalf by

Ng Kit Chong
Director

Lin Xiaofeng
Director

Consolidated Statement of Changes in Equity

At 31 March 2022

	Share capital	Share premium	Capital reserve	Convertible bonds reserve	Exchange reserve	Statutory reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 28)	(Note 29(a))	(Note 29(b))	(Note 27)	(Note 29(c))	(Note 29(d))		
At 1 April 2020	10,000	31,510	37,529	-	40	1,199	(4,484)	75,794
Loss for the year	-	-	-	-	-	-	(30,655)	(30,655)
Other comprehensive income								
<i>Items that may be reclassified subsequently to profit or loss</i>								
Share of other comprehensive loss of an associate – exchange difference on translation	-	-	-	-	72	-	-	72
Exchange difference on translation of foreign subsidiaries	-	-	-	-	1,361	-	-	1,361
Total comprehensive income (loss) for the year	-	-	-	-	1,433	-	(30,655)	(29,222)
Transaction with owners								
<i>Contributions and distributions</i>								
Issue of convertible bonds (Note 27)	-	-	-	876	-	-	-	876
Total transaction with owners	-	-	-	876	-	-	-	876
At 31 March 2021	10,000	31,510	37,529	876	1,473	1,199	(35,139)	47,448

Consolidated Statement of Changes in Equity

At 31 March 2022

	Share capital	Share premium	Capital reserve	Convertible bonds reserve	Exchange reserve	Statutory reserve	Accumulated losses	Total
	HK\$'000 (Note 28)	HK\$'000 (Note 29(a))	HK\$'000 (Note 29(b))	HK\$'000 (Note 27)	HK\$'000 (Note 29(c))	HK\$'000 (Note 29(d))	HK\$'000	HK\$'000
At 1 April 2021	10,000	31,510	37,529	876	1,473	1,199	(35,139)	47,448
Loss for the year	-	-	-	-	-	-	(38,506)	(38,506)
Other comprehensive loss <i>Items that may be reclassified subsequently to profit or loss</i>								
Exchange difference on translation of foreign subsidiaries	-	-	-	-	(851)	-	-	(851)
Total comprehensive loss for the year	-	-	-	-	(851)	-	(38,506)	(39,357)
Transaction with owners <i>Contributions and distributions</i>								
Issue of share capital (Note 28)	2,000	13,453	-	-	-	-	-	15,453
Total transaction with owners	2,000	13,453	-	-	-	-	-	15,453
At 31 March 2022	12,000	44,963	37,529	876	622	1,199	(73,645)	23,544

Consolidated Statement of Cash Flows

Year ended 31 March 2022

	Note	2022 HK\$'000	2021 HK\$'000
OPERATING ACTIVITIES			
Cash used in operations	30(a)	(13,612)	(18,294)
Income tax paid		(70)	(195)
Interest paid		(1,133)	(437)
Interest received		1,682	699
Net cash used in operating activities		(13,133)	(18,227)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,149)	(776)
Prepayment for software development expenditure		(12,000)	-
Net cash used in investing activities		(13,149)	(776)
FINANCING ACTIVITIES			
Repayment of lease liabilities	30(c)	(1,337)	(1,379)
Issue of bond	30(c)	15,000	-
Issue of convertible bonds, net of issue costs	27	-	11,543
Issue of share capital, net of issue costs	28	15,453	-
Net cash from financing activities		29,116	10,164
Net increase (decrease) in cash and cash equivalents		2,834	(8,839)
Cash and cash equivalents at the beginning of the reporting period		29,237	36,915
Effect on exchange rate changes		(661)	1,161
Cash and cash equivalents at the end of the reporting period, represented by bank balances and cash	21	31,410	29,237

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

1. CORPORATE INFORMATION

Oriental Payment Group Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 19 January 2018 as an exempted company with limited liability. The Company’s shares were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 16 October 2018. The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111 Cayman Islands. The Company’s principal place of business is situated at Unit 2606, 26/F, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong.

The principal activity of the Company is investment holding. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in merchant acquiring business in Thailand. The Group has also engaged in payment processing services to merchants in Singapore through an associate. Details of the principal subsidiaries of the Company and their principal activities are disclosed in Note 12 to the consolidated financial statements.

2. PRINCIPAL ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”).

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2020/2021 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year.

Adoption of new/revised HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16	Interest Rate Benchmark Reform – Phase 2
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2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Adoption of new/revised HKFRSs (Continued)

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16: Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the “**Reform**”). The amendments complement those issued in November 2019 and relate to:

- changes to contractual cash flows – a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the Reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- hedge accounting – a company will not have to discontinue its hedge accounting solely because it makes changes required by the Reform, if the hedge meets other hedge accounting criteria; and
- disclosures – a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Going concern

The consolidated financial statements have been prepared in conformity with the principles applicable to a going concern basis. The Group incurred loss before tax of approximately HK\$39,482,000 for the year ended 31 March 2022 and, as at that date, the Group’s total trade and other payables, bond payable, lease liabilities, other liabilities and liability component of convertible bonds amounted to approximately HK\$58,416,000, of which approximately HK\$52,137,000 are due for repayment within the next twelve months after 31 March 2022, and also the Group had only bank balances and cash of approximately HK\$31,410,000. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of the above circumstances, the directors of the Company (the “**Directors**”) have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity position and to improve the Group’s financial position which include, but are not limited to, the followings:

- (i) the Group is actively negotiating and discussing with major creditors and convertible bondholders to consider future settlement / schedule plan and actively identifying any other possible financing options and debt restructuring exercises as and when appropriate;
- (ii) the Company entered into a placing agreement on 17 May 2022 with placing agents to place up to a maximum of 150,000,000 placing shares to not less than six places at the placing price of HK\$0.2 per placing share. Assuming all the placing shares are successfully placed, the net proceeds from the placing are estimated to be approximately HK\$28,700,000 after deducting the estimated expenses for the placing, completion of which has not taken place as at the date hereof; and
- (iii) the Group continues to improve the operating efficiency by implementing measures to tighten cost controls over various operating expenses in order to enhance its profitability and to improve the cash flow from its operation in future.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Going concern *(Continued)*

The board of Directors have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than twelve months from 31 March 2022. They, having considered the above plans and measures being taken by the Group, are of opinion that the Group would be able to continue as a going concern.

Notwithstanding the above, since the execution of the above plans and measures is in progress, uncertainties exist as to whether the Group will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would also depend on its ability to generate adequate cash flows for its operation.

Should the Group fail to achieve the above-mentioned plans and measures, it might be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their net realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for financial asset at FVPL, which are measured at fair value as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from equity holders of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by HKFRSs.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Allocation of total comprehensive income

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

Changes in ownership interests

Changes in the Group's ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the equity holders of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when the control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented in Note 36 to the consolidated financial statements, investment in a subsidiary is stated at cost less impairment loss. The carrying amount of the investment is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of the subsidiary are accounted for by the Company on the basis of dividends received and receivable.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Associate

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 of those policies.

The Group's investment in an associate is accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Group's net investment in the investee.

Goodwill arising on an acquisition of an associate is measured as the excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the acquired associate. Such goodwill is included in interest in an associate. On the other hand, any excess of the Group's share of its net fair value of identifiable assets and liabilities over the cost of investment is recognised immediately in profit or loss as an income.

In the Company's statement of financial position which is presented within these notes, investment in an associate is accounted for using the equity method.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Office equipment, including POS terminals	3 – 5 years
Leasehold improvements	3 years

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Intangible assets

Computer software

Computer software represents costs incurred for the development of the technology systems. Computer software is stated at cost less accumulated amortisation and impairment losses. Amortisation is provided on the straight-line basis over the estimated useful lives of 5 years.

Payment network membership

The initial cost of payment network membership is capitalised. Payment network membership with indefinite useful lives is carried at cost less accumulated impairment losses as the Directors consider that there is no foreseeable limit on the period of time over which the payment network membership can be used to generate economic benefits.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

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.

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 the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at fair value through profit or loss ("**FVPL**"), transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income ("**Mandatory FVOCI**"); (iii) equity investment measured at fair value through other comprehensive income ("**Designated FVOCI**"); or (iv) measured at FVPL.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets (Continued)

Recognition and derecognition (Continued)

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

Derivatives embedded in a hybrid contract in which a host is an asset within the scope of HKFRS 9 are not separated from the host. Instead, the entire hybrid contract is assessed for classification.

1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its 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 at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade receivables, other receivables, restricted funds and bank balances and cash.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Recognition and derecognition (Continued)

2) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets.

A financial asset is classified as held for trading if it is:

- (i) acquired principally for the purpose of selling it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

The Group's financial asset mandatorily measured at FVPL includes unlisted equity investment in Hong Kong.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade payables, other payables, bond payable, lease liabilities, other long term liabilities and liability component of convertible bonds. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of financial assets and other items

The Group recognises loss allowances for expected credit losses (“ECL”) on financial assets that are measured at amortised cost to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

- (i) past due information
- (ii) nature of instrument
- (iii) nature of collateral
- (iv) industry of debtors
- (v) geographical location of debtors

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument’s credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument, except in the case of Mandatory FVOCI, the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of financial assets and other items (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria.

- (i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or
- (ii) there is a breach of financial covenants by the counterparty.

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

Assessment of significant increase in credit risk

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

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of financial assets and other items (Continued)

Low credit risk

A financial 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.

All financial assets are determined to have low credit risk.

Simplified approach of ECL

For trade receivables without a significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

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

- (a) significant financial difficulty of the issuer or the borrower.
- (b) a breach of contract, such as a default or past due event.
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Impairment of financial assets and other items (Continued)

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Convertible bond

Convertible bonds that can be converted to equity share capital at the option of the holders, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition, the liability component of the convertible bonds is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transactions costs that related to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of the proceeds.

The liability component is subsequently carried at amortised cost. The interest expenses recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in a separate reserve until either the convertible bonds are converted or redeemed.

If the convertible bonds are converted, the amount previously recognised in equity, together with the carrying amount of the liability component at the time of conversion, are transferred to share capital and share premium as consideration for the shares issued.

If the convertible bonds are redeemed, any difference between the redemption consideration allocated to the liability component and the net carrying amount of the liability component is recognised in profit or loss while the amount previously recognised in equity and the redemption consideration allocated to the equity component are recognised directly to accumulated losses.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Share capital

Ordinary shares are classified as equity. Preference shares are classified as liabilities if they are redeemable at a specific date or at the shareholders' option; or if dividend payments are not discretionary. Preference shares that are not redeemable, or are redeemable only at the Group's option; and any dividend payments are discretionary, are classified as equity.

Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

Revenue recognition

Revenue from contracts with customers within HKFRS 15

Nature of goods or services

The nature of the goods or services provided by the Group is as follows:

Business A:	Merchant acquiring service in Thailand
Business B:	Marketing service in Thailand
Business C:	Preparation of the Environmental, Social and Governance ("ESG") Reports ("ESG Reporting Services")
Business D:	Consultancy services on ESG ("ESG Consultancy Services")

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers within HKFRS 15 *(Continued)*

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) 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.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Merchant acquiring transaction fee income ("MDR income") and marketing and distribution service income are recognised at a point in time at which the service is provided, which generally coincides with the time when the transactions are approved and executed.

ESG Reporting Services income and ESG Consultancy Services income are recognised over time when services are rendered.

For revenue recognised over time under HKFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the output method (i.e. based on the direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract) to measure the progress towards complete satisfaction of the performance obligation because the method provides a faithful depiction of the Group's performance and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

The following output methods are applied:

- ESG Reporting Services: services completed to date
- ESG Consultancy Services: time elapsed for the service

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers within HKFRS 15 (Continued)

Variable consideration

If the consideration promised in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer. The variable consideration is estimated by using either the expected-value or the most-likely-amount method whichever is better to predict the entitled amount. The estimated variable consideration is then included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised of the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Income from financial assets

Foreign exchange rate discount income is recognised when the foreign currency denominated funds are received from the merchant acquiring business partner who offered a favourable exchange rate in settling its outstanding payable to the Group and converted into local currency which is usually on every business day.

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). Hong Kong Dollars ("**HK\$**") is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Foreign currency translation *(Continued)*

The results and financial position of all the group entities that have a functional currency different from the presentation currency (“**foreign operations**”) are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented and, where applicable, goodwill and fair value adjustments on the carrying amounts of assets and liabilities arising on an acquisition of a foreign operation which are to be treated as assets and liabilities of that foreign operation, are translated at the closing rate at the end of the reporting period;
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates;
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group’s net investment in a foreign operation are recognised as a separate component of equity;
- On the disposal of a foreign operation, which includes a disposal of the Group’s entire interest in a foreign operation, a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest is no longer equity-accounted for, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised;
- On the partial disposal of the Group’s interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss; and
- On all other partial disposals, which includes partial disposal of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment, right-of-use assets, intangible assets, interest in an associate or prepayment for software development expenditure may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. In addition, the Group tests its intangible assets that have indefinite useful lives and intangible assets that are not yet available for use for impairment by estimating their recoverable amount on an annual basis and whenever there is an indication that those assets may be impaired. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Impairment of non-financial assets *(Continued)*

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment losses is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment losses is recognised as an income in profit or loss immediately.

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Leases

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

As lessee

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. 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.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)***Leases** *(Continued)***As lessee** *(Continued)*

The right-of-use asset is initially measured at cost, which comprises

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, 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, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option – in which case depreciation is provided over the estimated useful life of the underlying asset) as follows:

Office premises	Over the term of lease
Machinery	Over the term of lease

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

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

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

As lessee (Continued)

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if

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

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.
- (b) the Group determines the lease term of the modified contract.
- (c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- (d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- (e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Leases (Continued)

As lessee (Continued)

The Group has applied the practical expedient provided in Amendments to HKFRS 16: *Covid-19-Related Rent Concessions Beyond 30 June 2021* and does not assess whether eligible rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modification. The Group accounts for any change in lease payments resulting from the rent concession the same way it would account for the change applying HKFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient consistently to all eligible rent concessions with similar characteristics and in similar circumstances.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme in Hong Kong are recognised as expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group's entities established in Hong Kong in an independently administered fund.

In accordance with the rules and regulations in Thailand, the employees of Oriental City Group (Thailand) Co., Ltd. ("**OCG Thailand**") are required to participate in defined contribution retirement plans organised by local governments. Contributions to those plans are expensed as incurred and other than these monthly contributions, the Group has no further obligation for the payment of retirement benefits to its employees.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Employee benefits *(Continued)*

Long service payments

The Group's net obligation in respect of long service payments under the Employment Ordinance is the amounts of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated using the projected unit credit method and discounted to its present value and after deducting the fair value of any related assets, including those retirement scheme benefits.

Taxation

The charge for current income tax is based on the results for the year as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investment in subsidiaries and an associate, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Related parties

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

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of the holding company of the Group.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Related parties *(Continued)*

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) both entities are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the holding company of the Group.

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

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Segment reporting

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

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

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

(a) Critical judgements made in applying accounting policies

(i) Subsidiary – OCG Thailand

According to the relevant laws and regulations in Thailand, in particular the Foreign Business Act (the "FBA"), OCG Thailand, being a company engaged in third party merchant acquiring business in Thailand, must be owned as to more than 50% by Thai citizens.

With reference to the capital and voting rights structure of ordinary shares and preference shares (together the "Preference Shares Structure") of OCG Thailand as described in Note 12 to the consolidated financial statements, all the OCG Thailand's issued preference share capital is owned by a Thai citizen. However, the Company is able to exercise majority voting power in any shareholders' meeting of OCG Thailand.

The Company's legal advisers have confirmed that the Preference Shares Structure is still in compliance with all existing laws and regulations in Thailand, in particular the FBA. In light of no previous supreme court judgement ruling the invalidity of capital structure similar to that of OCG Thailand as opposed to the FBA and related interpretations, after due and careful consideration of all relevant factors together with the legal opinion obtained, the management assesses and concludes that the Preference Shares Structure is valid, legal and enforceable in Thailand.

Based upon the management's judgement on the Preference Shares Structure, the Company accounts for OCG Thailand as a subsidiary on the ground that it is able to control OCG Thailand by exercising its majority voting power in any shareholders' meetings of OCG Thailand.

(b) Key sources of estimation uncertainty

(i) Impairment of investment in an associate

The Group assesses annually if investment in an associate has suffered any impairment in accordance with HKAS 36. Details of the approach are stated in the respective accounting policies. The assessment requires an estimation of future cash flows, including expected dividends, from the assets and the selection of appropriate discount rates. Future changes in financial performance and position of the entity would affect the estimation of impairment loss and cause the adjustments of its carrying amount.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Critical accounting estimates and judgements *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(ii) Useful lives of property, plant and equipment and intangible assets

The management determines the estimated useful lives of the Group's property, plant and equipment and intangible assets based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which could affect the related depreciation and amortisation charges included in profit or loss.

(iii) Impairment of property, plant and equipment, right-of-use assets, intangible assets and prepayment for software development expenditure

The management determines whether the Group's property, plant and equipment, right-of-use assets, intangible assets and prepayment for software development expenditure are impaired when an indication of impairment exists or when annual impairment testing is required. This requires an estimation of the recoverable amount of the property, plant and equipment, right-of-use assets, intangible assets and prepayment for software development expenditure, which is equal to the higher of fair value less costs of disposal and value in use. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the property, plant and equipment, right-of-use assets, intangible assets and prepayment for software development expenditure and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Any impairment will be charged to profit or loss.

(iv) Discount rates for calculating lease liabilities – as lessee

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discounts rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgement and adjusts such observable rate to determine the incremental borrowing rate.

(v) Loss allowance for ECL of trade and other receivables

The Group's management estimates the loss allowance for trade and other receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables. Details of the key assumption and inputs used in estimating ECL are set out in Note 32 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

2. PRINCIPAL ACCOUNTING POLICIES (Continued)

Critical accounting estimates and judgements (Continued)

(b) Key sources of estimation uncertainty (Continued)

(vi) Income tax

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business, where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will result in additional income tax and deferred tax provision in the period in which such determination is made.

Future changes in HKFRSs

At the date of authorisation of the consolidated financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 16	Proceeds before Intended Use ⁽¹⁾
Amendments to HKAS 37	Cost of Fulfilling a Contract ⁽¹⁾
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁽¹⁾
Annual Improvements to HKFRSs	2018–2020 Cycle ⁽¹⁾
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ⁽²⁾
Amendments to HKAS 1	Disclosure of Accounting Policies ⁽²⁾
Amendments to HKAS 8	Definition of Accounting Estimates ⁽²⁾
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁽²⁾
HKFRS 17	Insurance Contracts ⁽²⁾
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information ⁽²⁾
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁽³⁾

⁽¹⁾ Effective for annual periods beginning on or after 1 January 2022

⁽²⁾ Effective for annual periods beginning on or after 1 January 2023

⁽³⁾ The effective date to be determined

The directors are in the process of assessing the possible impact on the future adoption of the new/revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the consolidated financial statements.

3. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on merchant acquiring business in Thailand during the years ended 31 March 2022 and 2021. This operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs that are regularly reviewed by the executive Directors, the chief operating decision maker. They review the results of the Group as a whole in order to assess financial performance and allocation of resources. Accordingly, the operation of the Group constitutes only one single operating segment and no further analysis of this single segment is presented.

Geographical information

The Group's operation is mainly located in Thailand.

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets and intangible assets ("**Specified Non-current Assets**"). The geographical location of revenue is based on the location of the merchants. The geographical location of Specified Non-current Assets is based on the physical location of the assets (in the case of intangible assets, the location of operations).

(a) Revenue from external customers

	2022 HK\$'000	2021 HK\$'000
Thailand	3,038	12,369
Unallocated <Note>	853	–
	3,891	12,369

(b) Specified Non-current Assets

	2022 HK\$'000	2021 HK\$'000
Hong Kong	1,491	871
Thailand	9,241	13,625
Unallocated <Note>	28	–
	10,760	14,496

<Note>

ESG Reporting Services and ESG Consultancy Services are not considered as a reportable operating segment.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

3. SEGMENT INFORMATION *(Continued)*

Information about major customers

Revenue from customers individually contributing 10% or more of the total revenue of the Group during the years ended 31 March 2022 and 2021 is as follows:

	2022 HK\$'000	2021 HK\$'000
Customer A and its affiliates	580	2,385
Customer B and its affiliates	<i>Note</i>	1,963
Customer C and its affiliates	503	<i>Note</i>

<Note>

The customer contributed less than 10% of the total revenue of the Group for the respective year.

4. REVENUE

	Note	2022 HK\$'000	2021 HK\$'000
Revenue from contracts with customers within HKFRS 15			
MDR income	(a)	2,429	9,949
Marketing and distribution service income	(a)	29	35
ESG Reporting Services income	(b)	653	–
ESG Consultancy Services income	(b)	200	–
		3,311	9,984
Revenue from other sources			
Foreign exchange rate discount income		580	2,385
		3,891	12,369

(a) Revenue recognised during the year is based on standard rates and recognised at a point in time from contracts with customers within HKFRS 15.

(b) Revenue recognised during the year is based on fixed price and recognised over time from contracts with customers within HKFRS 15.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

5. OTHER INCOME

	Note	2022 HK\$'000	2021 HK\$'000
Bank interest income		25	79
COVID-19-related rent concession		–	136
Exchange gain, net		30	606
HKSAR Government subsidies	(a)	–	432
Other interest income		1,603	1,293
Write-off of trade payables		–	447
Sundry income		37	–
		1,695	2,993

- (a) The amount represented subsidies from the Employment Support Scheme (“**Scheme**”) under the Anti-epidemic Fund which was launched by the HKSAR Government. The purpose of this Scheme was to provide financial support to enterprises to retain their staff who would otherwise be made redundant. Under the terms of this Scheme, the Group was required not to lay off their staff during the subsidy period and to spend all subsidies on paying wages to the staff.

6. LOSS BEFORE TAX

This is stated after charging (crediting):

	2022 HK\$'000	2021 HK\$'000
Finance costs		
Effective interest expenses on convertible bonds	2,637	1,823
Finance charges on lease liabilities	28	17
Interest expenses for financial liabilities at amortised cost	2,135	1,019
Interest expenses on bond payable	1,274	–
	6,074	2,859
Staff costs, including key management’s remuneration		
Salaries, allowances and other short-term employee benefits	13,420	11,658
Discretionary bonus	–	653
Contributions to defined contribution plans	255	194
	13,675	12,505
Other items		
Auditor’s remuneration	638	611
Amortisation of intangible assets (included in “Selling and distribution costs”)	1,785	3,419
Depreciation of property, plant and equipment	3,488	4,670
Depreciation of right-of-use assets	1,315	1,377
Exchange gain, net	(30)	(606)
Write-off of prepayments	–	253

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

7. INFORMATION ABOUT THE BENEFITS OF DIRECTORS

(a) Directors' remuneration

The aggregate amounts of remuneration received and receivable by the Directors are as follows:

Year ended 31 March 2022

	Directors' fees HK\$'000	Salaries, allowances and other short-term employee benefits HK\$'000	Discretionary bonus HK\$'000	Contributions to defined contribution plans HK\$'000	Total HK\$'000
Executive directors					
Lin Xiaofeng	-	1,200	-	18	1,218
Ng Kit Chong	-	1,200	-	18	1,218
	-	2,400	-	36	2,436
Non-executive directors					
Shiu Shu Ming (i)	37	-	-	-	37
Tsang Chi Kit (ii)	12	-	-	-	12
Xiong Wensen	120	-	-	-	120
	169	-	-	-	169
Independent non-executive directors					
Chung, Wai Chuen Alfred	120	-	-	-	120
Huang Ping	120	-	-	-	120
Ng Ka Po	120	-	-	-	120
	360	-	-	-	360
	529	2,400	-	36	2,965

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

7. INFORMATION ABOUT THE BENEFITS OF DIRECTORS (Continued)

(a) Directors' remuneration (Continued)

Year ended 31 March 2021

	Directors' fees HK\$'000	Salaries, allowances and other short-term employee benefits HK\$'000	Discretionary bonus HK\$'000	Contributions to defined contribution plans HK\$'000	Total HK\$'000
Executive directors					
Lin Xiaofeng	-	1,200	54	18	1,272
Ng Kit Chong	-	400	-	6	406
	-	1,600	54	24	1,678
Non-executive director					
Xiong Wensen	120	-	-	-	120
Independent non-executive directors					
Chung, Wai Chuen Alfred	120	-	-	-	120
Huang Ping	120	-	-	-	120
Ng Ka Po	120	-	-	-	120
	360	-	-	-	360
	480	1,600	54	24	2,158

- (i) Mr. Shiu Shu Ming was appointed as a non-executive director on 10 December 2021.
- (ii) Mr. Tsang Chi Kit was appointed as a non-executive director on 23 February 2022, and was redesignated as an executive director on 6 April 2022.

There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 31 March 2022 and 2021. In addition, no emoluments were paid by the Group to any of the Directors as an inducement to join or upon joining the Group, or as a compensation for loss of office for the years ended 31 March 2022 and 2021.

(b) Loans, quasi-loans and other dealings in favour of directors

There were no other loans, quasi-loans or other dealings in favour of the Directors that were entered into or subsisted during the years ended 31 March 2022 and 2021.

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

After consideration, the Directors are of the opinion that no transactions, arrangements and contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company, or an entity connected with the Directors, had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 March 2022 and 2021.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

8. FIVE HIGHEST PAID INDIVIDUALS

An analysis of the five highest paid individuals during the years ended 31 March 2022 and 2021 is as follows:

	Number of individuals	
	2022	2021
Director	2	1
Non-director	3	4
	5	5

Details of the remuneration of the above highest paid non-director individuals are as follows:

	2022	2021
	HK\$'000	HK\$'000
Salaries, allowances and other short-term employee benefits	3,360	4,301
Discretionary bonus	–	216
Contributions to defined contribution plans	54	72
	3,414	4,589

The number of highest paid non-director individuals whose remuneration fell within the following bands:

Band	Number of employees	
	2022	2021
Nil to HK\$1,000,000	2	2
HK\$1,000,001 to HK\$1,500,000	–	1
HK\$1,500,001 to HK\$2,000,000	1	1
	3	4

During the years ended 31 March 2022 and 2021, no remuneration was paid by the Group to any of these highest paid non-director individuals as an inducement to join or upon joining the Group, or as a compensation for loss of office.

There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any remuneration during the years ended 31 March 2022 and 2021.

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Year ended 31 March 2022

9. TAXATION

	2022 HK\$'000	2021 HK\$'000
Current tax		
Thailand Enterprise Income Tax		
Current year	-	-
Under provision in prior years	-	77
	-	77
Deferred tax (Note 25)		
Benefit of tax losses recognised	(248)	(94)
Reversal of withholding tax on undistributed earnings of a foreign subsidiary	(728)	(445)
	(976)	(539)
Income tax credit for the year	(976)	(462)

(a) Hong Kong Profits Tax

Hong Kong Profits Tax at the rate of 16.5% has not been provided as the Group incurred a loss for taxation purpose for the years ended 31 March 2022 and 2021.

(b) Income taxes outside Hong Kong

The group entities established in the Cayman Islands and the BVI are exempted from income tax of the respective jurisdiction.

Thailand Enterprise Income Tax at the rate of 20% has not been provided as the Group's operation in Thailand incurred a loss for taxation purpose for the years ended 31 March 2022 and 2021.

Cambodia Corporate Income Tax at the rate of 20% has not been provided as OCGC Payment Co., Ltd. ("**OCGC Payment**") has not yet commenced its business.

Dividends payable by a foreign invested enterprise in Thailand to its foreign investors are subject to a 10% (2021: 10%) withholding tax, unless any foreign investor's jurisdiction of incorporation has a tax treaty with Thailand that provides for a different withholding arrangement.

Dividends payable by an enterprise in Cambodia to its foreign investors are subject to a 14% (2021: 14%) withholding tax.

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9. TAXATION (Continued)

Reconciliation of income tax credit

	2022 HK\$'000	2021 HK\$'000
Loss before tax	(39,482)	(31,117)
Income tax at applicable tax rate	(6,904)	(5,469)
Non-deductible expenses	1,844	2,078
Tax exempt revenue	(3)	(88)
Under provision in prior years	–	77
Unrecognised tax losses	4,319	3,392
Unrecognised temporary differences	521	(7)
Recognition of previously unrecognised deferred tax assets	(25)	–
Reversal of withholding tax on undistributed earnings of a foreign subsidiary	(728)	(445)
Income tax credit for the year	(976)	(462)

The applicable tax rate is the weighted average of rates prevailing in the territories in which the Group's entities operate against profit or loss before tax. The change in applicable tax rate is caused by changes in the taxable results of the Group's subsidiaries in the respective countries which the Group operates.

10. LOSS PER SHARE

Basic loss per share is calculated on the loss for the year ended 31 March 2022 attributable to the equity holders of the Company of approximately HK\$38,506,000 (2021: approximately HK\$30,655,000) and on the weighted average number of 1,020,822,000 ordinary shares (2021: 1,000,000,000 ordinary shares) in issue during the year ended 31 March 2022.

Diluted loss per share is the same as basic loss per share as the effect of potential ordinary shares has anti-dilutive effects during the years ended 31 March 2022 and 2021.

11. DIVIDENDS

The Directors of the Company did not recommend a payment of a dividend for the year ended 31 March 2022 (2021: Nil).

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

12. SUBSIDIARIES

The particulars of the Company's principal subsidiaries, which are private limited liability companies, of which the Company has direct/indirect interests are as follows:

Name of subsidiary	Place and date of incorporation/ establishment	Particulars of issued and paid up capital/ registered capital	Effective ownership interests held by the Company		Principal activities/ place of operation
			31 March 2022	31 March 2021	
<i>Directly held by the Company</i>					
Global Principal Investment Limited	The BVI, 3 December 2020	Ordinary, United States Dollars ("US\$") 100	100%	100%	Investment holding/ Hong Kong
Oriental City Group Thailand Limited ("OCG Thailand (BVI)")	The BVI, 7 May 2007	Ordinary, US\$100	100%	100%	Investment holding/ Hong Kong
Newtech Asia Pacific Limited	Hong Kong, 1 November 2021	Ordinary, HK\$1	100%	Not applicable	Investment holding/ Hong Kong
<i>Indirectly held by the Company</i>					
Baylight Consulting Limited	Hong Kong, 22 January 2021	Ordinary, HK\$100	100%	100%	ESG Reporting Services and ESG Consultancy Services/ Hong Kong
OCGC Payment	Cambodia, 18 July 2017	Ordinary, Cambodian Riels ("Riels") 40,000,000	100%	100%	Not yet commence business/ Cambodia
OCG Hong Kong Limited ("OCG HK")	Hong Kong, 6 November 2013	Ordinary, HK\$10,000	100%	100%	Marketing and administrative services/ Hong Kong
Oriental City Group Asia Pacific Limited ("OCG Asia Pacific")	The BVI, 8 September 2011	Ordinary, US\$1	100%	100%	Investment holding/ Hong Kong
OCG Thailand	Thailand, 27 September 2004	Ordinary, Thai Baht ("Baht") 25,000,000 Preference, Baht 25,500,000 <Note>	100%	100%	Merchant acquiring business/Thailand
			0%	0%	

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

12. SUBSIDIARIES *(Continued)*

The above information of ownership interests is presented as if the current group structure had always been in existence throughout the years ended 31 March 2022 and 2021 or since the respective date of establishment or incorporation where applicable.

All entities comprising the Group have adopted 31 March as their financial period end date.

Except for the preference share capital as issued by OCG Thailand, none of the subsidiaries had any debt securities outstanding at the end of the reporting period, or at any time during the reporting period.

<Note>

At the end of the reporting period, OCG Thailand's share capital is comprised of 2,500,000 ordinary shares with paid up amount of Baht 25,000,000 (equivalent to approximately HK\$5,857,000) (2021: Baht 25,000,000 (equivalent to approximately HK\$5,857,000)) and 2,550,000 preference shares with paid up amount of Baht 25,500,000 (equivalent to approximately HK\$6,000,000) (2021: Baht 25,500,000 (equivalent to approximately HK\$6,327,000)).

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share on any resolution of OCG Thailand.

The holder of preference shares, who is a Thai citizen, has the following rights:

- one vote for every ten shares held on any resolution of OCG Thailand;
- the right to receive cumulative dividend declared by OCG Thailand at the rate of 9.5% per annum on paid up value of the shares issued, prior to the ordinary shares; and
- the right to receive the distribution of the share capital, in the case of the winding up of OCG Thailand, prior to the ordinary shares, but limited to the paid up amount of the preference shares.

The preference shares as issued by OCG Thailand are classified as liabilities instead of equity in the consolidated financial statements in accordance with applicable accounting standards because, although they are not redeemable, the holders of which are entitled to receive 9.5% (per annum) cumulative dividend on the paid up value of the preference shares issued, which is treated as cost of financing, and are only entitled to OCG Thailand's residual assets limited to the nominal value of their paid-up capital.

Therefore, the results and financial position of OCG Thailand are included in the Group's consolidated financial statements, after accounting for the paid up value of the preference shares issued and its related cumulative dividend, to the extent of 100% ordinary equity interests attributable to the equity holders of the Company according to the proportion of ordinary shares indirectly held by the Company through OCG Thailand (BVI) and OCG Asia Pacific.

Notes to the Consolidated Financial Statements

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13. INTEREST IN AN ASSOCIATE

	2022 HK\$'000	2021 HK\$'000
Share of net assets	–	625
Goodwill	355	355
	355	980

Details of the associate at the end of the reporting period are as follows:

Name of associate	Principal place of business and place of incorporation	Registered and paid-up capital	Proportion of value of registered capital directly held by the Company		Principal activities
			31 March 2022	31 March 2021	
Alldebit Pte. Ltd. ("Alldebit")	Singapore	Singapore dollar 715,000	33%	33%	Development of e-commerce applications, and software and programmes

The associate is accounted for using the equity method in the consolidated financial statements.

Relationship with the associate

Alldebit, which is principally engaged in the business of development of e-commerce applications, specifically for online alternative payment and settlement and development of software and programmes, specifically software solution and internet content development, could bring a viable business opportunity for the Group to strengthen its merchant acquiring business. Also, Alldebit could allow the Group's existing services to provide more comprehensive, up-to-date and high-quality merchant acquiring services to its customers in Thailand and other countries in the Association of Southeast Asian Nations.

Fair value of investment

The associate is a private company and there is no quoted market price available for the investment.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

13. INTEREST IN AN ASSOCIATE *(Continued)*

Financial information of individually material associate

The financial information of Alldebit is set out below, which represents amounts shown in the associate's financial statements prepared under accounting standards applicable in Singapore.

	At 31 March 2022 HK\$'000	At 31 March 2021 HK\$'000
<i>Gross amounts</i>		
Current assets	15,520	15,299
Non-current assets	385	937
Current liabilities	(17,739)	(14,214)
Non-current liabilities	–	(129)
(Deficits) Equity	(1,834)	1,893
<i>Reconciliation</i>		
Gross amount of (deficits) equity	(1,834)	1,893
Group's ownership interests and voting rights	33%	33%
Group's share of equity	–	625
Goodwill	355	355
Carrying amount of interests	355	980
	Year ended 31 March 2022 HK\$'000	Year ended 31 March 2021 HK\$'000
<i>Gross amounts</i>		
Revenue	2,181	3,013
Loss and total comprehensive loss	(3,721)	(3,581)
Group's share of loss and total comprehensive loss	(625)	(1,182)

Unrecognised share of loss of an associate

The unrecognised share of loss of an associate for the current year amounted to approximately HK\$603,000 (2021: Nil).

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Year ended 31 March 2022

14. FINANCIAL ASSET AT FVPL

	2022	
	HK\$'000	2021
		HK\$'000
Unlisted equity investment in Hong Kong		
Mandatorily measured at FVPL	300	300

The amount represents 5.0332% (2021: 5.0332%) interest in a private entity incorporated in Hong Kong (the "Investee"). Its principal activities are sales of point of sales machines and provision of internet payment services.

15. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Leasehold improvements	Total
	HK\$'000	HK\$'000	HK\$'000
Reconciliation of carrying amount –			
Year ended 31 March 2021			
At 1 April 2020	11,011	–	11,011
Additions	776	–	776
Depreciation	(4,670)	–	(4,670)
Exchange realignments	545	–	545
At 31 March 2021	7,662	–	7,662
Reconciliation of carrying amount –			
Year ended 31 March 2022			
At 1 April 2021	7,662	–	7,662
Additions	1,149	–	1,149
Depreciation	(3,488)	–	(3,488)
Exchange realignments	(342)	–	(342)
At 31 March 2022	4,981	–	4,981
At 31 March 2021			
Cost	33,321	203	33,524
Accumulated depreciation	(25,659)	(203)	(25,862)
Net carrying amount	7,662	–	7,662
At 31 March 2022			
Cost	32,761	193	32,954
Accumulated depreciation	(27,780)	(193)	(27,973)
Net carrying amount	4,981	–	4,981

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16. LEASES

Right-of-use assets

	Office premises HK\$'000	Machinery HK\$'000	Total HK\$'000
Reconciliation of carrying amount – year ended 31 March 2021			
At 1 April 2020	1,223	28	1,251
Contract modification	965	–	965
Depreciation	(1,368)	(9)	(1,377)
Exchange differences	5	1	6
At 31 March 2021	825	20	845
Reconciliation of carrying amount – year ended 31 March 2022			
At 1 April 2021	825	20	845
Additions	889	–	889
Contract modification	1,211	–	1,211
Depreciation	(1,306)	(9)	(1,315)
Exchange differences	(3)	(1)	(4)
At 31 March 2022	1,616	10	1,626
At 31 March 2021			
Cost	3,625	39	3,664
Accumulated depreciation	(2,800)	(19)	(2,819)
Net carrying amount	825	20	845
At 31 March 2022			
Cost	5,712	37	5,749
Accumulated depreciation	(4,096)	(27)	(4,123)
Net carrying amount	1,616	10	1,626

The Group leases office premises and machinery for its daily operations with lease terms of 1 to 5 years (2021: 1 to 5 years). Most of the lease contracts contain an option to renew the lease when all terms are renegotiated.

COVID-19-related rent concessions

The amount recognised in profit or loss during the year ended 31 March 2021 to reflect changes in lease payments that arise from rent concessions to which the Group had applied the practical expedient for COVID-19-related rent concessions provided in Amendments to HKFRS 16 was HK\$136,000.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

16. LEASES (Continued)

Restrictions or covenants

Most of the leases impose a restriction that, unless the approval is obtained from the lessor, the right-of-use asset can only be used by the Group and the Group is prohibited from selling or pledging the underlying assets. The Group is also required to keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

The interest expenses and total cash flow on lease liabilities are set out in Notes 6 and 30 to the consolidated financial statements respectively.

17. INTANGIBLE ASSETS

	Computer software <Note (a)> HK\$'000	Payment network membership <Note (b)> HK\$'000	Total HK\$'000
Reconciliation of carrying amount –			
Year ended 31 March 2021			
At 1 April 2020	14,630	308	14,938
Amortisation	(3,419)	–	(3,419)
Impairment loss	(5,600)	–	(5,600)
Exchange realignments	55	15	70
At 31 March 2021	5,666	323	5,989
Reconciliation of carrying amount –			
Year ended 31 March 2022			
At 1 April 2021	5,666	323	5,989
Amortisation	(1,785)	–	(1,785)
Exchange realignments	(35)	(16)	(51)
At 31 March 2022	3,846	307	4,153
At 31 March 2021			
Cost	17,102	323	17,425
Accumulated amortisation and impairment loss	(11,436)	–	(11,436)
Net carrying amount	5,666	323	5,989
At 31 March 2022			
Cost	16,993	307	17,300
Accumulated amortisation and impairment loss	(13,147)	–	(13,147)
Net carrying amount	3,846	307	4,153

Notes to the Consolidated Financial Statements

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17. INTANGIBLE ASSETS (Continued)

<Note>

- (a) Computer software mainly represents enhancement of host system to extend the payment processing services to cover other payment network associations with carrying amount of HK\$3,500,000 (2021: HK\$4,900,000). At the end of the reporting period, the remaining amortisation period of the computer software is 2.5 years (2021: 3.5 years).
- (b) The useful life of the payment network membership is determined to be indefinite because the Group is able to renew the payment network membership without incurring significant cost that there is no foreseeable limit to the period over which the payment network membership is expected to generate net cash inflows for the Group.

18. TRADE AND OTHER RECEIVABLES

	Note	2022 HK\$'000	2021 HK\$'000
Trade receivables			
Trade receivables from third parties	18(a)	519	162
Other receivables			
Deposits		4,173	4,000
Deposits for acquisition of assets <Note>		4,528	184
Prepayments		3,451	3,460
Other debtors	18(b)	11,459	24,617
		23,611	32,261
Due from the former ultimate holding company	18(c)	–	2,375

Information about the Group's exposure to credit risks and loss allowance for trade and other receivables is included in Note 32 to the consolidated financial statements.

<Note>

The amount represented the deposits paid for acquisition of tangible and intangible assets, the comparative figures of approximately HK\$184,000 has been reclassified from "deposits" to conform with the current year presentation.

(a) Trade receivables

Included in trade receivables are the following amounts denominated in a currency other than the respective functional currency of the Group's entities:

	2022 HK\$'000	2021 HK\$'000
US\$	304	83

18. TRADE AND OTHER RECEIVABLES *(Continued)***(b) Other debtors**

Included in other debtors are:

- (i) advance to the Investee of HK\$4,700,000 (2021: approximately HK\$4,700,000) which is unsecured, interest-bearing at 8% per annum, repayable on 31 December 2022 and subject to a “repayable on demand” clause;
- (ii) loans to independent third parties of approximately HK\$3,874,000 (2021: approximately HK\$13,833,000) which are unsecured, interest-bearing at 12% (2021: 13% to 14%) per annum and repayable within one year;
- (iii) interest receivables of approximately HK\$805,000 (2021: approximately HK\$859,000) which are unsecured, interest-free and repayable within one year; and
- (iv) the remaining items of other debtors are unsecured, interest-free and have no fixed repayment term.

At the date of authorisation for issue of the consolidated financial statements, loans to independent third parties and interest receivables with a total of approximately HK\$1,668,000 at 31 March 2022 have been settled.

(c) Due from the former ultimate holding company

The amount due was unsecured, interest-free and repayable on demand. The amount due from the former ultimate holding company was fully settled during the year ended 31 March 2022.

19. PREPAYMENT FOR SOFTWARE DEVELOPMENT EXPENDITURE

The amount represents the prepayment for the research and design services on the development of payment-related software for expansion of merchant acquiring business in Asia Pacific Region pursuant to the agreements signed with various information technology companies. At the end of the reporting period and at the date of authorisation for issue of the consolidated financial statements, the management estimated that the development of these software will be completed not later than the end of the second quarter of 2022/2023.

20. RESTRICTED FUNDS

The amounts represent bank balances in Thailand maintained solely for the purpose of settlement of outstanding trade payables for the merchant acquiring business pursuant to the agreements signed with a merchant acquiring business partner and the balances are restricted for use by the Group for any other purposes. The restricted bank balances are denominated in Baht.

21. BANK BALANCES AND CASH

	2022 HK\$'000	2021 HK\$'000
Short-term time deposits	5,116	5,102
Cash at banks and in hand	26,294	24,135
	31,410	29,237

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21. BANK BALANCES AND CASH (Continued)

Cash at banks earns interest at floating rates based on daily floating bank deposit rates. Short-term time deposits are made between two months to three months depending on the immediate cash requirement of the Group, and earn interest at the prevailing fixed deposit rates.

	2022 HK\$'000	2021 HK\$'000
Bank balances and cash are denominated in:		
HK\$	19,402	8,025
Baht	4,924	12,805
US\$	7,084	8,407
	31,410	29,237

22. TRADE AND OTHER PAYABLES

	Note	2022 HK\$'000	2021 HK\$'000
Trade payables			
Trade payables to third parties	22(a)	1,852	1,344
Other payables			
Accruals and other payables	22(b)	18,986	14,073

(a) Trade payables

The creditors allow a credit period up to 30 days to the Group. At the end of the reporting period, the ageing analysis of the trade payables by invoice date is as follows:

	2022 HK\$'000	2021 HK\$'000
Less than 1 month	637	155
1 month to 3 months	–	209
Over 3 months	1,215	980
	1,852	1,344

22. TRADE AND OTHER PAYABLES *(Continued)***(b) Accruals and other payables**

Included in accruals and other payables are:

- (i) other payable to a third party guaranteed by a director of the Company of approximately HK\$6,000,000 which bears interest at 12% per annum and repayable on 1 April 2022 *(2021: approximately HK\$1,392,000 which bears interest at 8% per annum and repayable on 31 August 2021)*. A supplementary agreement was entered into to extend the maturity date to 5 September 2022;
- (ii) other borrowings from a third party of approximately HK\$2,325,000 *(2021: approximately HK\$8,700,000)* which is unsecured, interest bearing at 12% *(2021: 12%)* per annum and repayable on demand;
- (iii) interest payables of approximately HK\$2,254,000 *(2021: approximately HK\$1,225,000)* which are unsecured, interest-free and repayable within one year; and
- (iv) the remaining items of accruals and other payables are unsecured, interest-free and have no fixed repayment term.

23. BOND PAYABLE

The amounts represent the bond issued to a third party with coupon rate of 10% per annum in the principal amount of HK\$15,000,000 and accrued bond interest of approximately HK\$1,274,000 which is repayable on 24 May 2022. A supplementary agreement was entered into to extend the maturity date to 31 July 2022.

24. LEASE LIABILITIES

	2022 HK\$'000	2021 HK\$'000
Lease liabilities		
Current portion	1,356	837
Non-current portion	279	11
	1,635	848

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25. DEFERRED TAXATION

The movement in the Group's deferred tax (assets) liabilities for the years ended 31 March 2022 and 2021 was as follows:

Withholding tax on undistributed earnings of a foreign subsidiary

	2022 HK\$'000	2021 HK\$'000
At the beginning of the reporting period	768	1,213
Credit to profit or loss (Note 9)	(728)	(445)
At the end of the reporting period	40	768

Tax losses

	2022 HK\$'000	2021 HK\$'000
At the beginning of the reporting period	(282)	(188)
Credit to profit or loss (Note 9)	(248)	(94)
At the end of the reporting period	(530)	(282)

Recognised deferred tax (assets) liabilities at the end of each reporting period represent the following:

	2022 HK\$'000	2021 HK\$'000
Assets		
Tax losses	(530)	(282)
Liabilities		
Withholding tax on undistributed earnings of a foreign subsidiary	40	768

At the end of the reporting period, deferred tax liabilities of approximately HK\$40,000 (2021: approximately HK\$768,000) has been recognised for the future withholding tax implications of the portion of undistributed earnings of OCG Thailand that may be distributed in the foreseeable future. Started from 1 April 2016, certain retained earnings of OCG Thailand are kept for financing the continuing operations with reference to the working capital level. After considering the remaining retained earnings available for distribution in the foreseeable future, reversal of deferred taxation of approximately HK\$728,000 (2021: approximately HK\$445,000) has been made for the year ended 31 March 2022.

For those retained earnings required for financing the continued operation, such retained earnings would be subject to additional taxation if they are distributed. At the end of the reporting period, the estimated withholding tax effect on the distribution of further retained earnings of OCG Thailand was approximately of HK\$27,000 (2021: approximately HK\$512,000).

At the end of the reporting period, deferred tax assets of approximately HK\$530,000 (2021: approximately HK\$282,000) were recognised in respect of the entire tax losses of certain subsidiaries of the Group carried forward of approximately HK\$3,215,000 (2021: approximately HK\$1,266,000). The tax losses do not expire under current tax legislation.

25. DEFERRED TAXATION *(Continued)*

Unrecognised deferred tax assets

	2022 HK\$'000	2021 HK\$'000
Before multiplied by the applicable tax rates:		
Deductible temporary differences	3,175	–
Tax losses	40,855	35,790
	44,030	35,790

The Group has not recognised deferred tax assets in respect of the tax losses, as set out below, because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The unrecognised tax losses will expire as follows:

	2022 HK\$'000	2021 HK\$'000
Year 2027	8,460	8,920
Year 2028	10,783	–
No expiry	21,612	26,870
	40,855	35,790

26. OTHER LONG-TERM LIABILITIES

Other long-term liabilities represent preference shares issued by OCG Thailand and the major terms are set out in Note 12 to the consolidated financial statements.

At the end of the reporting period, the Group had an outstanding amount due to a non-controlling shareholder of OCG Thailand amounted to Baht 25,500,000 (equivalent to approximately HK\$6,000,000) (2021: Baht 25,500,000 (equivalent to approximately HK\$6,327,000)) in respect of the issued and paid up preference share capital of OCG Thailand, which carries cumulative dividend at 9.5% (2021: 9.5%) per annum, with accrued dividend payable of approximately Baht 4,845,000 (equivalent to approximately HK\$1,140,000) (2021: approximately Baht 2,423,000 (equivalent to approximately HK\$601,000)).

27. CONVERTIBLE BONDS

On 26 June 2020 (the “**Bond Issue Date**”), the Company issued convertible bonds (the “**Convertible Bonds**”), with a coupon interest rate of 7% per annum, in an aggregate principal amount of HK\$11,850,000 to not less than six independent placees who, and where applicable, whose ultimate beneficial owners were independent third parties. The Convertible Bonds shall be mature on the date (the “**Maturity Date**”) falling upon the expiry of two years from the Bond Issue Date or if such date is not a business day, the immediate preceding business day (which is 24 June 2022).

The coupon interest is accrued on a day-to-day basis on the principal amount of the Convertible Bonds outstanding and shall only be payable by the Company semi-annually in arrears on the dates falling six months and one year after the Bond Issue Date and on the anniversary(ies) of such dates for each year thereafter up to and including the Maturity Date. Bondholders will be entitled to receive an additional interest at the rate of 10% per annum from the Bond Issue Date up to and including the Maturity Date chargeable on the principal amount of the Convertible Bonds, which will be payable by the Company on the Maturity Date, if they have not converted any of their Convertible Bonds into new shares of the Company.

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Year ended 31 March 2022

27. CONVERTIBLE BONDS (Continued)

The Convertible Bonds can be converted into a maximum number of 79,000,000 ordinary shares of the Company at the initial conversion price of HK\$0.15 per share of the Company.

At initial recognition, the Convertible Bonds were separated into a liability component and an equity component representing the conversion options of the bondholders. The fair values of the liability component and the equity conversion component were determined at the Bonds Issue Date. The fair value of the liability component was calculated using market interest rates ranged from 21.33% to 21.44% per annum for instruments without a conversion option of comparable credit status which is referenced to professional valuation conducted by an independent professionally qualified valuer. The residual amount, representing the value of the equity conversion component, has been included in the convertible bonds reserve.

The liability component was amortised over the term of the Convertible Bonds with the effective interest method. The effective interest rate of the liability component of the Convertible Bonds on initial recognition is 21.93% per annum and is subsequently carried at amortised cost.

	HK\$'000
Liability component	
Fair value of liability component at the Bond Issue Date	10,951
Issue costs	(284)
	<hr/> 10,667
Effective interest expenses	1,823
Interest paid	(420)
Interest accrued	(211)
	<hr/> 11,859
As at 31 March 2021 and 1 April 2021	11,859
Effective interest expenses	2,637
Interest accrued	(827)
	<hr/> 13,669
At 31 March 2022	<hr/> 13,669
Equity component	
Nominal value of the Convertible Bonds	11,850
Fair value of liability component at the Bond Issue Date	(10,951)
Issue costs	(23)
	<hr/> 876
At the Bond Issue Date, at 31 March 2021 and at 31 March 2022	<hr/> 876

On 24 June 2022, the Company executed the addendum (the “**Addendum**”) to amend and/or alter the terms and conditions of the Convertible Bonds with a view to giving effect to the extension of the maturity date of the Convertible Bonds for a period of six months and all other terms and conditions of the Convertible Bonds remain unchanged.

The Addendum and the terms and conditions of the Convertible Bonds (as amended by the Addendum) shall take effect subject to the fulfilment of all the conditions precedent as set out in the Addendum. If any of the conditions precedent is not fulfilled on or before 30 September 2022 (or such later date as may be mutually agreed by the Company and the bondholders), the Addendum shall lapse and terminate. None of the conditions precedent is waivable by the Company and bondholders. Details of the Addendum are set out in the announcement of the Company dated 24 June 2022.

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28. SHARE CAPITAL

	2022		2021	
	Number of shares	Nominal value HK\$'000	Number of shares	Nominal value HK\$'000
Authorised:				
<i>Ordinary shares of HK\$0.01 each</i>				
At the beginning and				
the end of the reporting period	10,000,000,000	100,000	10,000,000,000	100,000
Issued and fully paid:				
<i>Ordinary shares of HK\$0.01 each</i>				
At the beginning of the year	1,000,000,000	10,000	1,000,000,000	10,000
New shares issued <Note>	200,000,000	2,000	-	-
At the end of the reporting period	1,200,000,000	12,000	1,000,000,000	10,000

<Note>

On 22 February 2022, the Company issued 200,000,000 new ordinary shares under the general mandate at a subscription price of HK\$0.078 per subscription share. The net proceeds from the subscription of shares after deducting related expenses were approximately HK\$15,453,000, which are intended to be utilised for any investment as identified by the Group and general working capital of the Group. These shares rank pari passu with the existing shares in all respects.

29. RESERVES

29(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the law of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

29(b) Capital reserve

The capital reserve represents:

- (i) the aggregate amount of the nominal value of the registered capital of the companies comprising the Group less consideration paid to acquire the relevant interests, after adjusting the registered capital held by those attributable to the non-controlling interests (if any); and
- (ii) listing expenses and other listing expenses borne by China Smartpay Group Holdings Limited ("**China Smartpay**"), the former ultimate holding company, as a capital contribution from China Smartpay, which was recorded in the Group's equity.

Notes to the Consolidated Financial Statements

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29. RESERVES (Continued)

29(c) Exchange reserve

Exchange reserve of the Group comprises all foreign exchange differences arising from translation of the financial statements of the Group's subsidiaries and an associate. The reserve is dealt with in accordance with the accounting policies as set out in Note 2 to the consolidated financial statements.

29(d) Statutory reserve

In accordance with the relevant laws and regulations in Thailand, OCG Thailand is required to appropriate not less than 5% of its net profit to the statutory reserve upon each dividend distribution, until the statutory reserve reaches 10% of its registered authorised capital. The statutory reserve is not available for dividend distribution.

30. OTHER CASH FLOW INFORMATION

30(a) Cash used in operations

	2022 HK\$'000	2021 HK\$'000
Loss before tax	(39,482)	(31,117)
Amortisation	1,785	3,419
Depreciation of property, plant and equipment	3,488	4,670
Depreciation of right-of-use assets	1,315	1,377
Impairment loss on intangible assets	–	5,600
Impairment loss on other receivables	2,990	–
Write-off of prepayments	–	253
Write-off of trade payables	–	(447)
Foreign exchange differences	146	(46)
Bank interest income	(25)	(79)
Other interest income	(1,603)	(1,293)
Share of results of an associate	625	1,182
Finance costs	6,074	2,859
Operating cash flow before changes in working capital	(24,687)	(13,622)
Changes in working capital		
Trade and other receivables	5,008	(10,138)
Due from the former ultimate holding company	2,375	–
Restricted funds	(4)	1,381
Trade and other payables	3,696	4,085
Cash used in operations	(13,612)	(18,294)

30(b) Major non-cash transactions

During the year ended 31 March 2022, the Group acquired assets by means of lease arrangements in respect of assets with a total capital value at the i) inception of the lease of approximately HK\$889,000 (2021: Nil) and ii) modification of the leases of approximately HK\$1,211,000 (2021: approximately HK\$965,000) respectively.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

30. OTHER CASH FLOW INFORMATION (Continued)

30(c) Reconciliation of liabilities arising from financing activities

Details of the changes in the Group's liabilities from financing activities are as follows:

Year ended 31 March 2022

	Lease liabilities HK\$'000	Other long term liabilities HK\$'000	Bond payable HK\$'000	Liability component of convertible bonds HK\$'000	Total HK\$'000
At the beginning of the reporting period	848	6,327	-	11,859	19,034
<i>Cash flows</i>	(1,337)	-	15,000	-	13,663
<i>Non-cash changes</i>					
New leases	889	-	-	-	889
Contract modification	1,211	-	-	-	1,211
Interest expenses	28	578	1,274	2,637	4,517
Interest accrued	-	(578)	-	(827)	(1,405)
Exchange realignments	(4)	(327)	-	-	(331)
At the end of the reporting period	1,635	6,000	16,274	13,669	37,578

Year ended 31 March 2021

	Lease liabilities HK\$'000	Other long term liabilities HK\$'000	Bond payable HK\$'000	Liability component of convertible bonds HK\$'000	Total HK\$'000
At the beginning of the reporting period	1,256	6,050	-	-	7,306
<i>Cash flows</i>	(1,396)	-	-	11,123	9,727
<i>Non-cash changes</i>					
Contract modification	965	-	-	-	965
Classified as equity component	-	-	-	(876)	(876)
Interest expenses	17	607	-	1,823	2,447
Interest accrued	-	(601)	-	(211)	(812)
Exchange realignments	6	271	-	-	277
At the end of the reporting period	848	6,327	-	11,859	19,034

Details of convertible bonds are disclosed in Note 27 to the consolidated financial statements.

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Year ended 31 March 2022

31. CONNECTED AND RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, during the year, the Group had the following transactions with related parties:

Related party relationship	Nature of transaction	2022 HK\$'000	2021 HK\$'000
Key management personnel, including directors	Salaries and allowances	6,175	5,350
	Discretionary bonus	–	162
	Contributions to defined contribution retirement schemes	74	61
		6,249	5,573
Close family member of key management personnel	Salaries and allowance	300	300
	Discretionary bonus	–	54
	Contributions to defined contribution retirement schemes	15	15
		315	369
China Smartpay, former ultimate holding company	ESG Reporting Services income	70	–

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise of restricted and unrestricted bank balances and cash, convertible bonds and preference shares issued by OCG Thailand. The main purpose of these financial instruments is to raise and maintain finance for the Group's operations. The Group has various other financial instruments such as trade and other receivables and trade and other payables which arise directly from its business activities.

The main risks arising from the Group's financial instruments are (i) foreign currency risk, (ii) interest rate risk, (iii) credit risk and (iv) liquidity risk. The Group does not have any written risk management policies and guidelines. However, the management identifies and evaluates risks and generally adopts conservative strategies on its risk management and limits the Group's exposure to these risks to a minimum as follows:

(i) Foreign currency risk

The Group mainly operates in Hong Kong and Thailand with majority of business transactions being denominated and settled in HK\$ and Baht which are the functional currencies of the relevant group entities.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)***(i) Foreign currency risk** *(Continued)*

However, as disclosed in Note 18(a) to the consolidated financial statements, the Group's trade receivables arising from the operation of merchant acquiring business in Thailand are mainly denominated in US\$. The management monitors the related foreign currency risk exposure closely on daily basis and, pursuant to a written foreign currency hedging policy as approved by the management, the Group would enter into foreign currency forward contracts should the needs arise. At 31 March 2022 and 2021, the Group had no outstanding foreign currency forward contracts for the exchange of US\$ with Baht.

At the end of the reporting period, the following table indicates the approximate change in the Group's loss before tax, mainly as a result of translation of the US\$ denominated financial assets in Baht with a corresponding credit/charge to profit or loss, if exchange rate of US\$ had changed against the functional currencies of the respective group entities by 5% and all other variables were held constant:

	2022 HK\$'000	2021 HK\$'000
US\$	15	4

The sensitivity analysis has been determined assuming that the change in foreign exchange rate had occurred at end of the reporting period and had been applied to each of 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 year until the end of the next reporting period.

In addition, as detailed in Notes 20 and 21 to the consolidated financial statements, part of the restricted and unrestricted bank balances and cash are denominated in Baht. The conversion of Baht into foreign currencies, including HK\$, is subject to the rules and regulations of foreign exchange control promulgated by the Thailand government.

(ii) Interest rate risk

The Group's exposure to market risk for changes in interest rates is related primarily to its interest-bearing financial assets including restricted and unrestricted bank balance and cash as detailed in Notes 20 and 21 to the consolidated financial statements.

At the end of the reporting period, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's loss before tax for both years would have been approximately HK\$133,000 (2021: approximately HK\$169,000) lower/higher.

Notes to the Consolidated Financial Statements

Year ended 31 March 2022

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(ii) Interest rate risk (Continued)

The Group's sensitivity to interest rates would change in the same direction as the changes in its interest-bearing balances of financial assets as mentioned above.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred throughout the reporting period and had been applied to the exposure to interest rate risk for the average balances of the interest-bearing financial assets in existence during the reporting period. The 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates.

(iii) Credit risk

The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

Credit risk mainly arises from trade and other receivables, restricted funds and bank balances and cash. The Group limits its exposure to credit risk by rigorously selecting the counterparties with reference to their past credit history and/or market reputation. The Group's exposure to the maximum credit risk is summarised as follows:

	2022 HK\$'000	2021 HK\$'000
Trade receivables	519	162
Other receivables	20,160	28,801
Due from the former ultimate holding company	–	2,375
Restricted funds	75	75
Bank balances and cash	31,410	29,237

Trade receivables from third parties

The Group trades only with recognised, creditworthy third parties. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has a credit policy in place and exposures to credit risks are monitored on an ongoing basis. The Group allows a credit period up to 90 days to its trade debtors.

At the end of the reporting period, there were only five (2021: two) trade debtors accounted for all of the total outstanding trade receivables. As at 31 March 2022, the Group had a concentration of credit risk as 59% (2021: 51%) of the total trade receivables made up by the Group's largest trade receivables.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)***(iii) Credit risk** *(Continued)****Trade receivables from third parties*** *(Continued)*

The management considers the credit risk in respect of the largest customer is minimal because it is an authorised financial institution in the People's Republic of China (the "PRC") with high credit ratings and there is no history of default or late payment. For other customers, the management of the Group considers the ECL of this balance to be minimal after taking into account the actual credit loss experience during the year and adjusted for the current and forward-looking factors over the recoverability of the receivables. No loss allowance was recognised for the balance for year ended 31 March 2022 (2021: Nil).

There was no change in the estimation techniques or significant assumptions made during the year.

At the end of each reporting period, the ageing analysis of the trade receivables prepared based on transaction date or date of service rendered, is as follows:

	2022 HK\$'000	2021 HK\$'000
Less than 1 month	519	162

At the end of each reporting period, the ageing analysis of the trade receivables by due date, prepared based on contractual due date, is as follows:

	2022 HK\$'000	2021 HK\$'000
Current	337	156
Past due:		
Less than 1 month	182	6
	519	162

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32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(iii) Credit risk (Continued)

Other receivables

Other receivables include deposits and other receivables. Impairment on other receivables is measured on lifetime ECL and reflects the short maturities of the exposures.

In estimating the ECL, the Group has taken into account the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the counterparties and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default. There was no change in the estimation techniques or significant assumptions made during the year.

At the end of the reporting period, the Group considered the credit quality of a debtor was worsen which gave rise to a significant increase in credit risk and therefore considered as credit-impaired. The Group measures the provision for impairment at an amount equal to the lifetime ECL and recognised loss allowance of approximately HK\$2,990,000 (2021: Nil) on the credit-impaired other receivable. The movement in the loss allowance for other receivables is summarised below.

	2022 HK\$'000	2021 HK\$'000
At the beginning of the reporting period	–	–
Increase in allowance	2,990	–
At the end of the reporting period	2,990	–

The Group considers that the remaining other receivables have low credit risk based on the counterparties' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on the remaining other receivables is measured on 12-month ECL and reflects the short maturities of the exposures. At 31 March 2022, the additional loss allowance for provision of the remaining other receivables was insignificant.

Restricted funds and bank balances and cash

The credit risk on restricted funds and bank balances and cash is limited because the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies and state-owned banks with good reputation. No loss allowance is recognised based on the measurement on 12-month ECL.

There was no change in the estimation techniques or significant assumptions made during the year.

None of the Group's financial assets are securitised by collateral or other credit enhancements at the end of the reporting period.

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Year ended 31 March 2022

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(iv) Liquidity risk

Management of the Group aims at maintaining sufficient level of cash and cash equivalents to finance the Group's operations and expected expansion. The Group's primary cash requirements include payments for operating expenses and additions or upgrades of property, plant and equipment and intangible assets. The Group finances its working capital requirements mainly by the funds generated from operations.

The Group's non-derivative financial liabilities at the end of each reporting period based on contractual undiscounted payments are summarised below:

	Within 1 year or on demand HK\$'000	After 1 year but within 5 years HK\$'000	Upon winding up of OCG Thailand <Remark 1> HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount at the end of the reporting period HK\$'000
At 31 March 2022					
Trade payables	1,852	-	-	1,852	1,852
Other payables	18,986	-	-	18,986	18,986
Bond payable	16,500	-	-	16,500	16,274
Lease liabilities	1,363	297	-	1,660	1,635
Other long-term liabilities <Remark 2>	-	-	6,000	6,000	6,000
Liability component of convertible bonds	16,234	-	-	16,234	13,669
	54,935	297	6,000	61,232	58,416
At 31 March 2021					
Trade payables	1,344	-	-	1,344	1,344
Other payables	14,120	-	-	14,120	14,073
Lease liabilities	845	12	-	857	848
Other long-term liabilities <Remark 2>	-	-	6,327	6,327	6,327
Liability component of convertible bonds	830	14,415	-	15,245	11,859
	17,139	14,427	6,327	37,893	34,451

<Remark 1>

In case of the winding up of OCG Thailand, the holder of preference shares has the right to the distribution of the residual assets of OCG Thailand prior to the ordinary shares, but limited to the paid up amount of the preference shares.

<Remark 2>

The estimated annual finance cost of other long-term liabilities approximates to Baht 2,423,000 (equivalent to approximately HK\$578,000) (2021: Baht 2,423,000 (equivalent to approximately HK\$601,000)), which is not included in the above summary.

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33. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in these financial statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13, *Fair Value Measurement*, with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

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

a) Assets and liabilities measured at fair value

	Level 2	
	2022 HK\$'000	2021 HK\$'000
Financial asset measured at FVPL		
Unlisted equity investment (Note 14)	300	300

The fair value of the unlisted equity investment is determined with reference to its net asset value.

During the years ended 31 March 2022 and 2021, there were no transfer between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

b) Assets and liabilities not measured at fair value

The carrying amounts of financial assets and liabilities not measured at fair value are carried at amounts not materially different from their fair values at 31 March 2022 and 2021.

34. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth. The management considers the total equity as disclosed in the consolidated statement of financial position as the Group's capital.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or return capital to shareholders. No changes were made in the objectives, policies or processes during the years ended 31 March 2022 and 2021.

35. CAPITAL EXPENDITURE COMMITMENTS

	2022 HK\$'000	2021 HK\$'000
Contracted but not provided for, net of deposits paid – acquisition of intangible assets	338	201

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36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Pursuant to the disclosure requirement of the Companies Ordinance, the statement of financial position of the Company and the movements in its reserves are set out below:

	Note	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Investment in subsidiaries	12	2	1
Interest in an associate		355	980
Financial asset at FVPL		300	300
Property, plant and equipment		41	39
Right-of-use assets		630	–
Intangible assets		3,500	4,900
Prepayment for software development expenditure		12,000	–
		16,828	6,220
Current assets			
Other receivables		19,290	27,912
Due from the former ultimate holding company		–	2,375
Due from subsidiaries		20,770	10,844
Bank balances and cash		5,619	37
		45,679	41,168
Current liabilities			
Other payables		16,881	12,649
Bond payable		16,274	–
Due to subsidiaries		3,341	3,340
Lease liabilities		446	–
Liability component of convertible bonds		13,669	–
		50,611	15,989
Net current (liabilities) assets		(4,932)	25,179
Total assets less current liabilities		11,896	31,399
Non-current liabilities			
Lease liabilities		189	–
Liability component of convertible bonds		–	11,859
		189	11,859
NET ASSETS		11,707	19,540
Capital and reserves			
Share capital	28	12,000	10,000
Reserves	36(a)	(293)	9,540
TOTAL EQUITY		11,707	19,540

The statement of financial position was approved and authorised for issue by the Board of Directors on 30 June 2022 and signed on its behalf by

Ng Kit Chong
Director

Lin Xiaofeng
Director

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36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

(a) Movements of the reserves

	Share premium HK\$'000 (Note 29(a))	Capital reserve HK\$'000 (Note 29(b))	Convertible bonds reserve HK\$'000 (Note 27)	Exchange reserve HK\$'000 (Note 29(c))	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2020	31,510	23,107	-	(52)	(25,369)	29,196
Loss for the year	-	-	-	-	(20,604)	(20,604)
Other comprehensive income <i>Item that may be reclassified subsequently to profit or loss</i>						
Share of other comprehensive loss of an associate – exchange difference on translation	-	-	-	72	-	72
Total comprehensive loss for the year	-	-	-	72	(20,604)	(20,532)
Transaction with owners <i>Contributions and distributions</i>						
Issue of convertible bonds (Note 27)	-	-	876	-	-	876
Total transaction with owners	-	-	876	-	-	876
At 31 March 2021	31,510	23,107	876	20	(45,973)	9,540
At 1 April 2021	31,510	23,107	876	20	(45,973)	9,540
Loss for the year and total comprehensive loss for the year	-	-	-	-	(23,286)	(23,286)
Transaction with owners <i>Contributions and distributions</i>						
Issue of share capital (Note 28)	13,453	-	-	-	-	13,453
Total transaction with owners	13,453	-	-	-	-	13,453
At 31 March 2022	44,963	23,107	876	20	(69,259)	(293)

Financial Summary

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years. The financial information for the years ended/as at 31 March 2019, 2020, 2021 and 2022 is extracted from the consolidated financial statements in the annual reports while the relevant information for the year ended/as at 31 March 2018 are extracted from the Prospectus.

Results of the Group for the year ended 31 March

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000
Revenue	3,891	12,369	80,845	111,802	106,083
(Loss) Profit before taxation	(39,482)	(31,117)	(4,418)	(5,659)	1,853
Income tax credit (expenses)	976	462	(1,157)	(2,446)	(2,947)
Loss for the year	(38,506)	(30,655)	(5,575)	(8,105)	(1,094)

Assets and liabilities of the Group as at 31 March

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000	2019 HK\$'000	2018 HK\$'000
Non-current assets	23,945	16,058	29,778	25,005	13,613
Current assets	58,055	66,609	64,325	112,043	74,344
Total assets	82,000	82,667	94,103	137,048	87,957
Current liabilities	(52,137)	(16,254)	(11,005)	(46,873)	(53,190)
Non-current liabilities	(6,319)	(18,965)	(7,304)	(7,548)	(3,149)
Net assets	23,544	47,448	75,794	82,627	31,618