UNITAS HOLDINGS LIMITED
宏海控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8020)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2022

The board (the "**Board**") of directors (the "**Directors**") of Unitas Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") hereby announces the audited annual results of the Company and its subsidiaries for the year ended 31 March 2022.

This announcement, containing the full text of the 2021/2022 annual report of the Company (the "**Annual Report**"), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") in relation to the information to accompany the preliminary announcement of annual results. Printed version of the Annual Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company in due course in the manner as required by the GEM Listing Rules.

By Order of the Board
Unitas Holdings Limited
Ho Chiu Ha Maisy
Chairlady

Hong Kong, 30 June 2022

As at the date of this announcement, the Company's executive Directors are Ms. Ho Chiu Ha Maisy (Chairlady), Mr. Lau Ling Tak, Ms. Man Wing Yee Ginny and Mr. Wang Qiang and the independent non-executive Directors are Mr. Siu Chi Yiu Kenny, Mr. Lee Chi Keung Jim and Mr. Chow Ho Wan, Owen.

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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website (www.hkgem.com) and on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published on the Company's website (www.unitas.com.hk).

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors (the "Directors") of UNITAS HOLDINGS LIMITED (the "Company" and together with its subsidiaries, the "Group") 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: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or in this report misleading.

Table of Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors
Ms. Ho Chiu Ha Maisy *(Chairlady)*
Mr. Lau Ling Tak
Ms. Man Wing Yee Ginny
Mr. Wang Qiang *(Chief Executive Officer)*

Independent Non-executive Directors
Dr. Chow Ho Wan, Owen
Mr. Siu Chi Yiu Kenny
Mr. Lee Chi Keung Jim

REGISTERED OFFICE

Coden Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Flat C, 16/F.,
MG Tower,
133 Hoi Bun Road,
Kwun Tong,
Hong Kong

AUTHORISED REPRESENTATIVES

Ms. Man Wing Yee Ginny
Mr. Lau Ling Tak

COMPANY SECRETARY

Mr. Wong Sze Lok *(HKICPA, ICAEW, CISA)*

COMPLIANCE OFFICER

Ms. Man Wing Yee Ginny

AUDIT COMMITTEE

Dr. Chow Ho Wan, Owen *(Chairman)*
Mr. Siu Chi Yiu Kenny
Mr. Lee Chi Keung Jim

Corporate Information

REMUNERATION COMMITTEE	Mr. Siu Chi Yiu Kenny *(Chairman)* Mr. Lau Ling Tak Dr. Chow Ho Wan, Owen Mr. Lee Chi Keung Jim
NOMINATION COMMITTEE	Mr. Siu Chi Yiu Kenny *(Chairman)* Mr. Lau Ling Tak Dr. Chow Ho Wan, Owen Mr. Lee Chi Keung Jim
SHARE REGISTRAR AND TRANSFER AGENT IN HONG KONG	Union Registrars Limited Suites 3301-04, 33/F. Two Chinachem Exchange Square 338 King's Road North Point Hong Kong
PRINCIPAL BANKER	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
AUDITORS	Mcmillian Woods (Hong Kong) CPA Limited Certified Public Accountants 24/F, Siu On Centre 188 Lockhart Road Wan Chai Hong Kong
GEM STOCK CODE	8020
COMPANY'S WEBSITE	www.unitas.com.hk

Chairlady's Statement

Dear Shareholders,

On behalf of the board of Directors (the "Board") of UNITAS HOLDINGS LIMITED, I am pleased to present the 2021/2022 annual results of the Group for the financial year ended 31 March 2022 (the "Financial Year").

BUSINESS OPERATION AND FINANCIAL PERFORMANCE

The Group is principally engaged in IP automation and entertainment services and provision of dry bulk shipping and logistic services. The Group also provides dry bulk shipping and logistic services to international customers. Since November 2019, the Group has been operating 2 shops under the brand name of "Ganawawa" at Tsz Wan Shan Centre and the Westwood respectively to conduct our IP automation and entertainment business. They are the IP thematic experience centres providing different IP products from automation gift machines, thematic game machines, carnival game booths as well as retail outlet.

Dry bulk shipping and logistic services

Given the uncertain market environment arising from the US-China trade war and the continuous global spread of the novel coronavirus (COVID-19) epidemic (the "**Epidemic**"), the global logistic market has been seriously affected. Together with keen competition in the global logistic market, the tightening of regulations in the shipping industry, there was a significant drop in demand from customers for such business and even some of the shipowners whom the Group had business relationship with before sold their ships or changed their business model and made us even harder to maintain the business scale as a small player. As such, we temporarily set aside our dry bulk shipping and logistic services business in the financial year ended 31 March 2021 (the "**FY2020/21**"). Since then, the Board has been actively studying and assessing the market conditions and negotiating with suppliers and potential customers with a view to resume the shipping business segment as and when appropriate.

Subsequently, having continuously re-assessed the business environment of the global shipping and logistic industry, the Board decided to dedicate to restore the logistics service business first given there is lower barrier and less capital requirement than the dry bulk shipping business segment. In the fourth quarter of 2021, with the effort of the management of the Group consistently negotiating and discussing with different customers, charterers, shipping agencies and freight forwarders and through its existing subsidiary, Evershining International Logistics Limited, successfully restored its logistics service business by first resuming the logistics agency/freight forwarding service business with ocean freight forwarding contracts by acting as intermediary who organizes shipments for individual or corporate customers to transport products or goods to a destination.

With the restoration of the logistics services business, The Group recorded revenue of approximately HK$37.77 million for the year ended 31 March 2022 (2021: Nil) and segment profit of approximately HK$3.20 million.

IP automation and entertainment business

The Group's IP automation and entertainment business includes (1) operation of shops in Hong Kong under the brand name "Ganawawa". They are the IP thematic experience centres providing different IP products from automation gift machines, thematic game machines, carnival game booths as well as retail outlet; (2) sale of medical mask and other merchandise and (3) the provision of IP-related brand management and marketing consulting services.

The Group overall recorded revenue of approximately HK$47.94 million for the year ended 31 March 2022 (2021: approximately HK$7.18 million), representing an a increase of approximately 567.69% when compared to the corresponding period in 2021. The Group recorded audited net loss attributable to owners of the Company for the year ended 31 March 2022 of approximately HK$4.97 million (2021: net loss of approximately HK$8.15 million). The decrease in loss was mainly due to the restoration of the logistic services and the provision of marketing consulting services, which contributed net profit approximately HK$3.20 million and HK$2.61 million respectively. These two business streams did not generate any income for the year ended 31 March 2021.

Chairlady's Statement

OUTLOOK

After the restoration of the logistics services business in the fourth quarter of 2021, the group continues to strive and expand the logistics services business segment with the effort of the management of the group in exploring new customer base and expanding the business scale. Further, the group has reached agreement with a sizable freight forwarder Group in the PRC to purchase cargo space which have been obtained from other airlines and shopping lines of Zhongshan ports and Shenzhen ports which is expected to start to generate revenue in 2nd quarter of 2022.

Affected by the COVID-19, the Group's Ganawawa's shops business faced a serious downturn, the shops had to be closed for certain periods under government order during the Pandemic. After the previous series of waves of Pandemic, restriction has been gradually relaxed since early 2022, people are eager for entertainment and leisure activities, we plan to consolidate our resources and further expand its business with the milestone of launching the integrated edutainment playground in the second quarter of 2022 at the Westwood. Apart from IP gift and game machines, we will bring in e-sports, steam education and party elements to enrich the fun experience.

Also, mobile/popup playground will be run at shopping malls all over Hong Kong. The playground will be shown up at different shopping malls to help driving traffic and it would be an extra income source to the business. And some more up and coming.

APPRECIATION

Last but not least, I would like to take this opportunity to extend my sincere gratitude to all fellow Directors, management and our staff for their unwavering dedication and contribution to our Group's development. I would also like to thank all of our shareholders, strategic partners and our valuable clients for their trusts and continuous support to our Group over a challenging year.

UNITAS HOLDINGS LIMITED
Ho Chiu Ha Maisy
Chairlady and Executive Director

Hong Kong, 30 June 2022

Management Discussion and Analysis

BUSINESS REVIEW

The Group is principally engaged in the provision of IP automation and entertainment services and provision of dry bulk shipping and logistic services.

Dry bulk shipping and logistic services

Given the uncertain market environment arising from the US-China trade war and the continuous global spread of the novel coronavirus (COVID-19) epidemic (the "**Epidemic**"), the global logistic market has been seriously affected. Together with keen competition in the global logistic market, the tightening of regulations in the shipping industry, there was a significant drop in demand from customers for such business and even some of the shipowners whom the Group had business relationship with before sold their ships or changed their business model and made us even harder to maintain the business scale as a small player. As such, we temporarily set aside our dry bulk shipping and logistic services business in the financial year ended 31 March 2021 (the "**FY2020/21**"). Since then, the Board has been actively studying and assessing the market conditions and negotiating with suppliers and potential customers with a view to resume the shipping business segment as and when appropriate.

Subsequently, having re-assessed the business environment of the global shipping and logistic industry in the 2nd quarter of the Financial Year, the Board decided to dedicate to restore the logistics service business first given there is lower barrier and less capital requirement than the dry bulk shipping business segment. Since the fourth quarter of 2021, with the effort of the management of the Group consistently negotiating and discussing with different customers, charterers, shipping agencies and freight forwarders and through its existing subsidiary, Evershining International Logistics Limited, successfully restored its logistics service business by first resuming the logistics agency/freight forwarding service business with ocean freight forwarding contracts by acting as intermediary who organizes shipments for individual or corporate customers to transport products or goods to a destination.

With the restoration of the logistics services business, The Group recorded revenue of approximately HK$37.77 million for the year ended 31 March 2022 (2021: Nil) and segment profit of approximately HK$3.20 million.

IP automation and entertainment business

The Group's IP automation and entertainment business includes (1) operation of shops in Hong Kong under the brand name "Ganawawa"., which are the IP thematic experience centres providing different IP products from automation gift machines, thematic game machines, carnival game booths as well as retail outlet; (2) sale of medical mask and other merchandise and (3) the provision of IP-related brand management and marketing consulting services.

During the Financial Year, amid the outbreak of COVID-19 Epidemic, operation of "Ganawawa" shops continues to strive to recover from the loss-making situation and the Group plans to adopt a more prudent strategy in launching more pop-up shops in shopping malls and seeking for business partners for cooperation in setting up entertainment venues and therefore the Group has further scaled down with the close of the Tsz Wan Shan shop. The Group is currently re-formulating the strategy and consolidating its current resources in operating the remaining shop located in the Westwood Sai Wan to create synergy with the mega integrated edutainment and experience playground which will be newly launched in the 2nd quarter of 2022 (which was originally targeted to be launched in the fourth quarter of 2021 as set out in the annual report 2020/21 of the Company).

The outbreak of COVID-19 Epidemic not only has raised public awareness of protection, but has also recognized face mask as part of fashion, which we have been benefited from it by releasing different styles of medical face masks, some of which with IP-related/brand crossover campaigns. In addition, the Group successfully established the mask raw materials trading business by leveraging the Group's current business network in mask industry during the Financial Year

The Group has also diversified its entertainment business into providing IP-related brand management and marketing consulting services for entertainment venue in cultural industrial parks and shopping malls in PRC, Hong Kong and Macau with the Group's experience and expertise in operating entertainment stores, fun parks and IP products.

For the IP automation and entertainment business, The Group overall recorded revenue of approximately HK$10.17 million for the year ended 31 March 2022 (2021: approximately 7.18 million), representing an increase of approximately 41.64% when compared to the corresponding period in 2021 and segment loss of approximately HK$1.84 million (2021: segment loss of approximately HK$3.62 million).

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

For the Financial Year, revenue of the Group increased by 567.69% to approximately HK$47.94 million from approximately HK$7.18 million last year.

Administrative and other operating expenses

The Group's administrative and operating expenses for the Financial Year decreased by approximately 10.97% to approximately HK$11.53 million compared to approximately HK$12.95 million last year.

Loss for the Financial Year attributable to owners of the Company

The Group recorded audited net loss attributable to owners of the Company for the year ended 31 March 2022 of approximately HK$4.97 million (2021: net loss of approximately HK$8.15 million). The decrease in loss was mainly due to the restoration of the logistic services and the provision of marketing consulting services, which contributed net profit approximately HK$3.20 million and HK$2.61 million respectively. These two business streams did not generate any income for the year ended 31 March 2021.

Liquidity and financial resources

As at 31 March 2022, the Group had net current assets of approximately HK$19.10 million (2021: approximately HK$13.66 million). The Group had cash and bank balances of approximately HK$28.43 million (2021: approximately HK$26.54 million). Current ratio as at 31 March 2022 was approximately 1.62 (2021: 1.88).

The Group's gearing ratios as at 31 March 2022 was 17.8% (2021: 31.4%). Gearing ratio is calculated by dividing total debt with the total equity.

Throughout the Financial Year, the Group had minimal exposure in foreign currency risk as most of the business transactions, assets and liabilities were denominated in Hong Kong dollars. The Group will continue to monitor its foreign currency exposure closely.

DIVIDEND

The Board does not recommend the payment of any dividend for the year ended 31 March 2022 (2021: Nil).

CAPITAL COMMITMENTS

Details of capital commitments are set out in note 37 to the Consolidated Financial Statements.

CAPITAL STRUCTURE

As at 31 March 2022, the issued share capital of the Company was HK$26,129,593.33 divided into 2,612,959,333 shares.

SIGNIFICANT INVESTMENTS HELD

During the Financial Year, the Group did not hold any other significant investment in equity interest in any company.

Management Discussion and Analysis

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 March 2022, the Group did not have any plan for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the Financial Year, the Group had no material acquisitions and disposal of subsidiaries and affiliated companies.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 March 2022 (2021: Nil).

FOREIGN EXCHANGE EXPOSURE

The Group continues to adopt a conservative treasury policy with all bank deposits being kept in Hong Kong dollars, keeping a minimum exposure to foreign exchange risks.

TREASURY POLICIES

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

PLEDGE OF ASSETS

As at 31 March 2022, the Group did not pledge any of its assets (2021: Nil) as securities for the banking facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2022, the Group had 19 full-time employees and 3 consultants (2021: 18 full-time employees and 4 consultants), including the Directors. Total staff cost (including Directors' emoluments) were approximately HK$4.85 million for the Financial Year as compared to approximately HK$4.98 million in last year. Remuneration is determined with reference to market terms, performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical benefit to its employees in Hong Kong. In addition, the Group adopted a share option scheme for eligible employees (including Directors) to provide incentives to participants for their contributions and continuing efforts to promote the interests of the Group.

Management Discussion and Analysis

OUTLOOK

After the restoration of the logistics services business in the fourth quarter of 2021, the group continues to strive and expand the logistics services business segment with the effort of the management of the group in exploring new customer base and expanding the business scale. Further, the group has reached agreement with a sizable freight forwarder Group in the PRC to purchase cargo space which have been obtained from other airlines and shopping lines of Zhongshan ports and Shenzhen ports which is expected to start to generate revenue in 2nd quarter of 2022.

Affected by the COVID-19, the Group's Ganawawa's shops business faced a serious downturn, the shops had to be closed for certain periods under government order during the Pandemic. After the previous series of waves of Pandemic, restriction has been gradually relaxed since early 2022, people are eager for entertainment and leisure activities, we plan to consolidate our resources and further expand its business with the milestone of launching the integrated edutainment playground in the second quarter of 2022 at the Westwood. Apart from IP gift and game machines, we will bring in e-sports, steam education and party elements to enrich the fun experience.

Also, mobile/popup playground will be run at shopping malls all over Hong Kong. The playground will be shown up at different shopping malls to help driving traffic and it would be an extra income source to the business. And some more up and coming.

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that leads to the success of the Company and balances the interests of its shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

Throughout the Financial Year, the Company had complied with all the code provisions set out in the Appendix 15 Corporate Governance Code and Corporate Governance Report (the "CG Code") of the GEM Listing Rules with the exception of the following deviation:

CODE PROVISION E.1.2

Code provision E.1.2 of the CG Code stipulates that the chairman of the board should attend the annual general meeting.

DEVIATION

The chairlady of the Board, Ms. Ho Chiu Ha Maisy, was unable to attend the annual general meeting of the Company held on 30 September 2021 (the "AGM 2021") as she had other important business engagement. However, Mr. Lau Ling Tak, an Executive Director, had chaired the AGM 2021 in accordance with the articles of association of the Company.

THE BOARD OF DIRECTORS

Composition and Responsibilities

At the date of this report, the Board comprises four executive Directors and three independent non-executive Directors. The names and office of each of the members of the Board and the Board committees of the Company during the Financial Year and up to the date of this report are as follows:

Board member	Office
Ms. Ho Chiu Ha Maisy	*Chairlady/Executive Director*
Mr. Lau Ling Tak	*Executive Director*
Ms. Man Wing Yee Ginny	*Executive Director*
Mr. Wang Qiang	*Executive Director/Chief Executive Officer*
Mr. Siu Chi Yiu Kenny	*Independent Non-executive Director*
Mr. Lee Chi Keung Jim	*Independent Non-executive Director*
Dr. Chow Ho Wan, Owen	*Independent Non-executive Director*

THE BOARD OF DIRECTORS (CONTINUED)

Composition and Responsibilities (continued)

Audit Committee member

Dr. Chow Ho Wan, Owen	*Chairman*
Mr. Siu Chi Yiu Kenny	
Mr. Lee Chi Keung Jim	

Remuneration Committee member

Mr. Siu Chi Yiu Kenny	*Chairman*
Mr. Lau Ling Tak	
Dr. Chow Ho Wan, Owen	
Mr. Lee Chi Keung Jim	

Nomination Committee member

Mr. Siu Chi Yiu Kenny	*Chairman*
Dr. Chow Ho Wan, Owen	
Mr. Lau Ling Tak	
Mr. Lee Chi Keung Jim	

As at the date of this report, the Board comprised seven Directors, of which four are Executive Directors and three are Non-executive Directors. Of the three Non-executive Directors, all of them are Independent Non-executive Directors which represent over one-third of the Board.

The biographical details of each Director are set out in the section Report of the Directors on pages 26 to 29.

Role and Function of the Board

While the Board is primarily overseeing and managing the Company's affairs, the chairman of the Board provides leadership to the Board in carrying out its duties. The Executive Directors are delegated with responsibilities in the day-to-day management of the Company and make operational and business decisions within the control of and delegation framework of the Company. The Non-executive Directors (including Independent Non-executive Directors) contribute valuable views and proposals for the Board's deliberation and decisions.

THE BOARD OF DIRECTORS (CONTINUED)

Board Meetings

The Board is scheduled to meet regularly at least four times a year at approximately quarterly intervals, to discuss the overall strategy as well as the operational and financial performance of the Company. Other Board meetings will be held when necessary. Such Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors. During the year ended 31 March 2022, ten Board meetings were held and the attendance records of individual Directors are set out below:

	Number of Meetings Attended/Held
Executive Directors:	
Ms. Ho Chiu Ha Maisy *(Chairlady)*	10/10
Mr. Lau Ling Tak	10/10
Ms. Man Wing Yee Ginny	10/10
Mr. Wang Qiang *(Chief Executive Officer)*	10/10
Independent Non-executive Directors:	
Mr. Siu Chi Yiu Kenny	10/10
Mr. Lee Chi Keung Jim	10/10
Dr. Chow Ho Wan, Owen	10/10

Apart from regular Board meetings, the Chairlady also had a meeting with the Independent Non-executive Directors without the presence of Executive Directors during the Financial Year.

THE BOARD OF DIRECTORS (CONTINUED)

Board Meetings (continued)

Appropriate notices are given to all Directors in advance for attending regular and other Board meetings. Meeting agendas and other relevant information are provided to the Directors in advance of Board meetings. All Directors are consulted to include additional matters in the agenda for Board meetings.

Directors have access to the advice and services of the company secretary of the Company (the "Company Secretary") with a view to ensuring that Board procedures, and all applicable rules and regulations, are followed.

The Company Secretary is responsible for taking minutes of the Board and committee meetings. Minutes of the Board and committee meetings record in sufficient detail of matters and concerns discussed are kept by the Company Secretary and open for inspection at any reasonable time on reasonable notice by any Director. Draft and final versions of minutes of Board and committee meetings are sent to Directors for their comments and records within a reasonable time after each meeting. All Directors have access to the advice and services of the Company Secretary to ensure that Board procedures and all applicable rules and regulations are followed. Directors may seek independent professional advice in appropriate circumstances at the Company's expense to assist them perform their duties to the Company. The Company has also arranged appropriate directors and officers liability insurance coverage for the Directors. The Company continuously updates all Directors on the latest development of the Listing Rules and other applicable regulatory requirements to ensure compliance and maintain good corporate governance practice.

Appointment, Re-election and Removal

All Independent Non-executive Directors have entered into service contracts with the Company for a specific term of three years, subject to re-election.

In accordance with the articles of association of the Company, at each annual general meeting (the "AGM"), one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Such retiring Directors may, being eligible, offer themselves for re-election at the AGM.

All Directors appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after their appointment and be subject to re-election at such meeting and all Directors appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election.

The Board has published procedures for Shareholders to propose a person for election as a Director on the Company's website (*www.unitas.com.hk*) in March 2012 in compliance with the relevant GEM Listing Rules amendment effective on 1 April 2012.

THE BOARD OF DIRECTORS (CONTINUED)

Nomination Committee

The Board established the nomination committee (the "Nomination Committee") on 20 March 2012, with written terms of reference in compliance with the relevant Code Provisions (which were further reviewed by the Board in August 2013). Its written terms of reference are available on the GEM website (*www.hkgem.com*) and the Company's website (*www.unitas.com.hk*).

The composition of the Nomination Committee is as follow:

Independent Non-executive Directors:
Mr. Siu Chi Yiu Kenny *(Chairman)*
Mr. Lee Chi Keung Jim
Dr. Chow Ho Wan, Owen

Executive Director:
Mr. Lau Ling Tak

The primary duties of the Nomination Committee include but not limited to the following:

(1) review the structure, size, composition (including the skills, knowledge and experience) and diversity against factors including but not limited to gender, age, nationality, cultural and educational background, professional experience, skills, knowledge, industry experience and length of services, having regard to the Group's business activities, assets and management portfolio Board's at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(2) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(3) assess the independence of Independent Non-executive Directors; and

(4) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer of the Company.

When identifying suitable candidates for directorship, the Nomination Committee will carry out the selection process by making reference to the skills, experience, education background, professional knowledge, personal integrity and time commitments of the proposed candidates, and also the Company's needs and other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set forth in Rules 5.01 and 5.02 of the GEM Listing Rules. A candidate who is to be appointed as an Independent Non-executive Director should also meet the independence criteria set out in Rule 5.09 of the GEM Listing Rules. Qualified candidates will then be recommended to the Board for approval.

Corporate Governance Report

THE BOARD OF DIRECTORS (CONTINUED)

Nomination Committee (continued)

Board Diversity Policy

The Board has, upon the recommendation of the Company's Nomination Committee, adopted a board diversity policy for purpose of maintaining a diversity of the Board which can in turn enhance the Board's decision making capability. In assessing potential candidates for the Board, the Nomination Committee will consider the guidelines and factors set out in the board diversity policy with a view that any appointment to the Board will be based on merit, having regard to the ability of candidates to complement and expand the skills, knowledge and experience of the Board as a whole. Diversity of the Board can be achieved through consideration of a number of relevant factors, including but not limited to independence, age, gender, ethnicity and cultural background, education, skills, knowledge and experience.

The Board has set measurable objectives (in terms of cultural background, education, skills and experience) to implement the board diversity policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the board diversity policy, as appropriate, to ensure its continued effectiveness from time to time.

The Nomination Committee considers that the current composition of the Board is characterised by diversity after taking into account the Company's own business model and specific needs.

The Nomination Committee members held two meetings during the Financial Year to discuss and review the Board's structure, size, composition and diversity, the extension of term of service of the Independent Non-executive Directors and the nomination of candidate to the Board for consideration and appointment. The attendance records of individual Nomination Committee members are set out below:

	Number of Meetings Attended/Held
Mr. Siu Chi Yiu Kenny *(Chairman)*	2/2
Mr. Lee Chi Keung Jim	2/2
Mr. Lau Ling Tak	2/2
Dr. Chow Ho Wan, Owen	2/2

Confirmation of Independence

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

Corporate Governance Report

THE BOARD OF DIRECTORS (CONTINUED)

Code of Conduct for Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors have compiled with the required standard of dealings and the code of conduct regarding securities transactions by Directors adopted by the Company throughout the Financial Year.

Continuous Professional Development for Directors

Directors must keep abreast of their collective responsibilities. Each newly appointed Director receives an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. Apart from the updates on regulatory changes and governance developments provided by the Company, the Directors are encouraged to participate in professional training and seminars to develop and refresh their knowledge and skills. A training record has been devised to record the training which the Directors have undertaken.

Up to date of this report, the Board members participated in the following training programs:

	Types of training	
Name of Directors	**In-house training organised by professional organisations and provided by the Company**	**Reading materials updating on new rules and regulations**
Executive Directors		
Ms. Ho Chiu Ha Maisy *(Chairlady)*	✓	✓
Mr. Lau Ling Tak	✓	✓
Ms. Man Wing Yee Ginny	✓	✓
Mr. Wang Qiang	✓	✓
Independent Non-executive Directors		
Mr. Siu Chi Yiu Kenny	✓	✓
Mr. Lee Chi Keung Jim	✓	✓
Dr. Chow Ho Wan, Owen	✓	✓

Corporate Governance Report

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Emolument Policy

The remuneration policy of the Group is to ensure the fairness and competitiveness of total remuneration. The emoluments of Executive Directors are determined based on the skills, knowledge, individual performance as well as contributions, the scope of responsibility and accountability of such Directors, taking into consideration of the Company's performance and prevailing market conditions. The remuneration policy of Non-executive Directors (including Independent Non-executive Directors) is to ensure that the Non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs including their participation in respective Board committees. The emoluments of Non-executive Directors are determined with reference to their skills, experience, knowledge, duties and market trends.

Remuneration Committee

The Board established the remuneration committee (the "Remuneration Committee") in September 2011, with written terms of reference in compliance with the Code Provisions (which were further reviewed by the Board in March 2012). The revised written terms of reference of the Remuneration Committee are available on the GEM website (www.hkgem.com) and the Company's website (www.unitas.com.hk).

The Remuneration Committee is responsible for, inter alia, making recommendations to the Board on the Company's emolument policy and on the establishment of a formal and transparent procedure for developing such policy.

The composition of the Remuneration Committee is as follows:

Independent Non-executive Directors:
Mr. Siu Chi Yiu Kenny *(Chairman)*
Mr. Lee Chi Keung Jim
Dr. Chow Ho Wan, Owen

Executive Director:
Mr. Lau Ling Tak

The Remuneration Committee members held two meetings during the Financial Year, the attendance records of individual Remuneration Committee members are set out below:

	Number of Meetings Attended/Held
Mr. Siu Chi Yiu Kenny *(Chairman)*	2/2
Mr. Lau Ling Tak	2/2
Mr. Lee Chi Keung Jim	2/2
Dr. Chow Ho Wan, Owen	2/2

Corporate Governance Report

ACCOUNTABILITY AND AUDIT

Financial Reporting

It is the responsibility of the Board to present a balanced, clear and comprehensible assessment of the Group's performance, position and prospects. Management shall provide such explanation and information to the Board as will enable the Board to make an informed assessment of financial and other information presented before the Board for approval.

The Board acknowledges its responsibility for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The consolidated financial statements set out on pages 44 to 49 were prepared on the basis set out in notes on pages 50 to 124 to the Consolidated Financial Statements. Financial results of the Group are announced in a timely manner in accordance with statutory and/or regulatory requirements.

As disclosed in the Company's announcement dated 12 April 2022. HLB Hodgson Impey Cheng Limited ("HLB") resigned as the auditors of the Company with effect from 12 April 2022. McMillan Woods (Hong Kong) CPA Limited ("McMillan") has been appointed as the auditors of the Company with effect from 12 April 2022 to fill the casual vacancy following the resignation of HLB and to hold office until the conclusion of the next annual general meeting of the Company. Save for providing audit services, there was no other service provided by McMillan for the year ended 31 March 2022 (2021: Nil). The fees in respect of audit services by McMillan for the year ended 31 March 2022 amounted to HK$600,000 (2021: HK$580,000).

The reporting responsibilities of McMillan are set out in the Independent Auditors' Report on pages 38 to 43.

Audit Committee

The Board established the Audit Committee in September 2011, with written terms of reference in compliance with the Code Provisions (which were further reviewed by the Board in March 2012 and June 2016). The revised written terms of reference of the Remuneration Committee are available on the GEM website *(www.hkgem.com)* and the Company's website *(www.unitas.com.hk)*.

The Audit Committee reports to the Board and has held regular meetings since its establishment to review and make recommendations to improve the Group's financial reporting process, risk management and internal control systems.

The composition of the Audit Committee is as follows:

Independent Non-executive Directors:
Mr. Siu Chi Yiu Kenny
Mr. Lee Chi Keung Jim
Dr. Chow Ho Wan, Owen

Corporate Governance Report

ACCOUNTABILITY AND AUDIT (CONTINUED)

Audit Committee (continued)

The Audit Committee members held six meetings during the Financial Year, the attendance records of individual Audit Committee members are set out below:

	Number of Meetings Attended/Held
Mr. Siu Chi Yiu Kenny	6/6
Mr. Lee Chi Keung Jim	6/6
Dr. Chow Ho Wan, Owen	6/6

During the Financial Year, the Audit Committee had undertaken the follow duties:

- Met with external auditors to discuss the general scope of their audit work;
- Reviewed external auditors' management letter and management's response;
- Reviewed management representation letter;
- Reviewed the completeness and effectiveness of risk management and internal control systems;
- Reviewed and approved internal audit plan;
- Reviewed and approved the engagement of external auditors for providing non-audit services;
- Reviewed and approved the remuneration in respect of audit and non-audit services provided by external auditors;
- Reviewed the independence and objectivity of external auditors;
- Met with external auditors to discuss issues arising from the audit of annual accounts and review of interim and quarterly accounts;
- Reviewed the annual report and accounts, half-year interim report as well as quarterly reports;
- Recommended to the Board the appointment of external auditors; and
- Reviewed the Company's compliance with the Code Provisions and disclosure in the Corporate Governance Report.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT (CONTINUED)

Delegation by the Board

While at all times the Board retains full responsibility for guiding and monitoring the Company in discharging its duties, certain responsibilities are delegated to various committees which have been established by the Board to deal with different aspects of the Company's affairs. Unless otherwise specified in their respective written terms of reference as approved by the Board, these committees are governed by the Company's articles of association as well as the Board's policies and practices (in so far as the same are not in conflict with the provisions contained in the articles of association).

The Board has also delegated the responsibility of implementing its strategies and the day-to-day operation to the management of the Company under the leadership of the Executive Directors. Clear guidance has been made as to the matters that should be reserved to the Board for its decision which include matters on, inter alia, capital, finance and financial reporting, internal controls, communication with Shareholders, Board membership, delegation of authority and corporate governance.

Communication with Shareholders

The Board recognises the importance of good communications with Shareholders and investors. The Company establishes various communication channels with its shareholders and investors. These include the annual general meeting, the extraordinary general meeting, the annual, interim and quarterly reports, notices, announcements, circulars, and the Company's website.

General meetings (including annual general meeting and extraordinary general meeting) provide useful forum for Shareholders to exchange views with the Board. The Board welcomes Shareholders to express their opinions. Directors, senior management are available to answer questions at general meetings and external auditors will also attend the annual general meeting to address Shareholders' queries. Separate resolutions are proposed at general meetings on each substantially separate issue, including the re-election of individual Directors. The notice of the meeting, the annual report and the circular containing information on the proposed resolutions are sent to Shareholders at least twenty clear business days before the meeting. Voting at general meetings are by way of a poll. Details of the poll voting procedures are explained to Shareholders at general meetings to ensure that Shareholders are familiar with such procedures. The results of the poll are published on the GEM website (*www.hkgem.com*) and the Company's website (*www.unitas.com.hk*).

Procedures for Shareholders to convene an extraordinary general meeting

There is no provision allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, Shareholders are requested to follow article 64 of the Articles of Association, general meetings shall be convened on the written requisition of any one or more members holding at the date of deposit of the requisition not less than one tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, 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 two months after the deposit of such requisition. If within twenty-one day 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 expense incurred by the requisition(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Corporate Governance Report

ACCOUNTABILITY AND AUDIT (CONTINUED)

Procedures for Shareholders to propose a person for election as a Director

The provisions for a shareholder to propose a person for election as a Director are laid down in article 113 of the Articles of Association. No person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose such person for election as a Director, signed by a Shareholder (other than the person to be proposed for election as a Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by such person of his willingness to be elected shall have been lodged at the head office or at the Registration Office. The minimum length of the period during which such notices are given shall be at least seven clear days and the period for lodgement of such notices shall commence no earlier than the day immediately after the despatch of the notice of the general meeting appointed for such intention and end no later than seven days before the date of such general meeting.

Procedures for sending enquiries to the Board

Shareholders may send written enquiries to the Company, for the attention of the Company Secretary, by fax: (852) 2543 9311, e-mail at admin@unitas.com.hk or mail to Flat C, 16/F., MG Tower, 133 Hoi Bun Road, Kwun Tong.

Information disclosure

The Company discloses information in compliance with the GEM Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete thereby enabling Shareholders as well as the public to make rational and informed decisions.

Corporate Governance Report

INVESTOR RELATIONS

There were no changes in the constitutional documents of the Company during the Financial Year.

RISK MANAGEMENT AND INTERNAL CONTROL

During the Financial Year, the Board complied with the code provisions on risk management and internal control as set out in the CG Code. The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Company. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management of the Company has established a set of comprehensive policies, standards and procedures in areas of operational, financial and risk controls for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information to achieve a satisfactory level of assurance against the likelihood of the occurrence of fraud and errors.

The Board has overseen the Company's risk management and internal control systems on an ongoing basis. A financial year end review of the effectiveness of the Company's and its subsidiaries risk management and internal control systems has been conducted annually and the systems are considered to be effective and adequate. The Company also has an internal audit function to carry out the analysis and independent appraisal of the adequacy and effectiveness of the systems, and has procedures in place to keep information confidential and manage actual or potential conflicts of interest. Stringent internal structures have been designed to prevent the misuse of inside information and avoid conflicts of interest.

Hong Kong, 30 June 2022

Report of the Directors

The Directors have pleasure in presenting their annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2022 (the "Consolidated Financial Statements").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of Company are set out in Note 32 to the Consolidated Financial Statements.

BUSINESS REVIEW

A fair review of the Company's business and its outlook are set out in the sections of Chairlady's Statement and Management Discussion and Analysis. Certain financial key performance indicators are provided in the section of Financial Summary. No important event affecting the Company has occurred since the end of the Financial Year.

The Company complies with the requirements under the Companies Ordinance, the GEM Listing Rules and the Securities and Futures Ordinance (the "SFO") for the disclosure of information and corporate governance. The Group also complies with the requirements of Employment Ordinance and ordinances relating to occupational safety for the interest of employees of the Group.

The Group respects the environment and is committed to minimising its carbon footprints as a socially responsible enterprise in Hong Kong. Carbon footprint is defined as the total amount of direct and indirect emissions of Green House Gases (GHGs) expressed in terms of the equivalent amount of Carbon Dioxide of (CO_2) emission. Non-hazardous wastes produced from the Group mainly consist of used paper such as office papers and marketing materials. To minimise the impact of carbon footprints on the environment, the Group implements the following practices to use paper efficiently:

- Duplex printing is set as the default mode for most network printers;
- Employees are reminded to practice photocopying wisely;
- Employees are encouraged to use both sides of paper;
- Paper waste is recycled instead of being directly disposed of in landfills;
- Paper is separated from other waste for easier recycling; and
- Boxes and trays are placed beside photocopiers as containers to collect single-sided paper for reuse purpose.

Electricity consumption is identified as having an adverse impact on the environment and natural resources. A typical commercial building uses more energy for lighting than for other electric equipment. The Group is determined to reduce energy consumption and implement conservation practices to reduce the effect on carbon footprint. Air conditioning and light zone arrangements reduce unnecessary electricity usage; employees enforce good practices in maintenance of lighting and electric equipment to ensure they are kept in good and proper condition to maximise efficiency.

Report of the Directors

BUSINESS REVIEW (CONTINUED)

Key Risk Factors

The following lists out the key risks and uncertainties facing the Group.

Impact of Local and International Regulations

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

Third-Party Risks

The Group has been relying on third-party service providers in parts of business to improve performance and efficiency of the Group. While gaining the benefits from external service providers, the management realises that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputed third-party providers and closely monitors their performance.

Key Relationships with Employees, Customers and Suppliers

The Group recognises the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the Financial Year.

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers before the commencement of a project.

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analyse on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

RESULTS

The results of the Group for the year ended 31 March 2022 are set out in Consolidated Financial Statements on pages 44 to 49.

RESERVES

Movement in the reserves of the Group and the Company during the Financial Year are set out the consolidated statement of changes in equity on page 47 and note 31 to the Consolidated Financial Statements respectively.

Report of the Directors

DISTRIBUTABLE RESERVES

As at 31 March 2022, the Company's reserves available for cash distribution and/or distribution in specie, calculated in accordance with the Companies Law (2003 Revision) of the Cayman Islands to members amounted to Nil (2021: Nil) which comprised share premium of approximately HK$297,517,000 (2021: approximately HK$288,837,000) and deficit of accumulated losses of approximately HK$306,886,000 (2021: deficit of approximately HK$299,672,000).

SHARE CAPITAL

Details of movements in share capital of the Company during the Financial Year are set out in note 29 to the Consolidated Financial Statements.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales for the Finance Year generated from the Group's major customers are as follows:

–	The largest customer	77.1%
–	Five largest customers	99.2%

The percentage of purchases for the Finance Year attributable to the Group's major suppliers are as follows:

–	The largest supplier	44.0%
–	Five largest suppliers	89.1%

None of the Directors, their close associates (as defined in the GEM Listing Rules) or any shareholders (which to the knowledge of the Directors, owns more than 5% of the Company's share capital) had an interest in any of the Group's five largest customers and suppliers for the Financial Year.

MANAGEMENT CONTRACTS

Save as disclosed herein, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the Financial Year.

PLANT AND EQUIPMENT

Details of movement in plant and equipment during the Financial Year are set out in note 17 to the Consolidated Financial Statements.

BORROWINGS

As at 31 March 2022, the Group had no banking facilities and had obtained advance from Shareholders in the aggregate amount of approximately HK$1,939,000 which was unsecured, interest free and repayable on demand. (2021: approximately HK$1,018,000).

Report of the Directors

DIRECTORS

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

Executive Directors
Ms. Ho Chiu Ha Maisy *(Chairlady)*
Mr. Lau Ling Tak
Ms. Man Wing Yee Ginny
Mr. Wang Qiang *(Chief Executive Officer)*

Independent Non-executive Directors
Mr. Siu Chi Yiu Kenny
Mr. Lee Chi Keung Jim
Dr. Chow Ho Wan, Owen

The biographical details of each Director are set out below:

Executive Directors

Ms. Ho Chiu Ha Maisy, BBS, aged 55, is an Executive Director and Chairlady of the Company. Ms. Ho holds a Bachelor's degree in mass communication and psychology from Pepperdine University, the United States.

In China, she is a standing committee member of the Chinese People's Political Consultative Conference of Liaoning Province.

She has been an executive director of Shun Tak Holdings Limited since 2001 and she is responsible for overseeing the strategic planning and operations of the property management division, as well as retail and merchandising division. Save as aforementioned, Ms. Ho has not held other directorships in the last three years in public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Lau Ling Tak, aged 48, joined the Group as an Independent Non-executive Director on 21 September 2011 and re-designated as an Executive Director on 21 June 2012, he is responsible for formulating corporate strategy, planning and business development of the Group. He is a member of each of the Audit Committee, Remuneration Committee and the Nomination Committee.

Report of the Directors

DIRECTORS (CONTINUED)

Executive Directors (continued)

Mr. Lau obtained the degree of Bachelor of Engineering in Building Services Engineering (Building Electrical Services) from the Hong Kong Polytechnic University in November 2001. Mr. Lau holds the qualification of Chartered Engineer (CEng) since June 2003 and has also been a member of the Society of Operations Engineers (MSOE), Institute of Plant Engineers (MIPlantE) and the International Institute of Management (MIIM) since June 2003, October 2002 and July 2003 respectively.

Mr. Lau has substantial experience in the medical and health care industry. He founded GHC Holdings Limited (previously known as Bio-life (China) Limited) in January 2005 and was appointed as the managing director from its establishment until October 2008. GHC Holdings Limited principally provides medical and dermatology services for the general public through its general clinics and specialist polyclinics that operate in Hong Kong.

From October 2008 to May 2009, Mr. Lau was the director of development of Quality HealthCare Medical Centre Limited, a subsidiary of Skyocean International Holdings Limited (Stock Code: 593) which is a physician led provider group offering an integrated range of healthcare services through a network of medical centres, dental and physiotherapy centres.

Ms. Man Wing Yee Ginny, aged 49, joined the Group as a Non-executive Director on 21 February 2012 and re-designated as an Executive Director on 25 June 2014. She has over 8 years of experience in legal practice focusing on China inbound and outbound investment, finance, mergers and acquisitions and corporate restructuring. She is also working as a consultant at Tsun & Partners since January 2012 and was admitted as a solicitor of the High Court of Hong Kong SAR in August 1999.

She is a member of the Chinese People's Political Consultative Conference of Guangxi Zhuang Autonomous Region in China. She is currently a member of the Law Society of Hong Kong. Ms. Man received a Bachelor of Arts degree majoring in French and International Relations from Wellesley College at Massachusetts in the USA in 1995.

Mr. Wang Qiang, aged 51, joined the Group on 7 January 2015 as an Executive Director and appointed as the Chief Executive Officer of the Company on 13 May 2015. Mr. Wang has over 8 years experience in the maritime transportation industry, international logistic management and has extensive experience in enterprises operation and management. Mr. Wang has been holding office as key positions at several shipping and logistic related companies since 2009; he has been the board chairman of 上海晟弘國際物流有限公司, the director and executive deputy general manager of 中稷瑞威能源發展(上海)有限公司 and the board chairman of 北京遠洋晟隆國際物流有限公司.

DIRECTORS (CONTINUED)

Independent Non-executive Directors

Mr. Siu Chi Yiu Kenny, aged 55, is an independent Non-executive Director responsible for providing independent judgment on issues of strategy, performance resources and standard of conduct of the Company. He is the chairman of the Remuneration Committee and Nomination Committee and a member of the Audit Committee.

Mr. Siu was awarded a Professional Diploma in Building Surveying from Hong Kong Polytechnic University in 1990 and a Master of Business Administration degree from the University of South Australia in 2009. He was admitted as a chartered member of the Chartered Institute of Housing in September 2014 and a professional member of the Royal Institution of Chartered Surveyors in October 2014. Mr. Siu has over 30 years of experience in sales and marketing, project management and consultancy in the property industry. He has the experience of employment with a number of major property developers, including Shui On Properties Limited (from 1993 to 1994), Harbour Ring Property Development Limited (now known as China Oceanwide Property Sino Limited) (from 1994 to 1997), SIIC Investment Company Limited (from 1997 to 2009) and Hsin Chong Construction Group (from 2014 to 2016). In 2009, Mr. Siu established Kenny Siu Surveyors & Co., being a local real estate surveying firm in Hong Kong, in which he is now working as a director and consultant specialising in project finance and development study. Mr. Siu has also been appointed as a visiting professor of Jiangxi University of Finance and Economics (江西財經大學) since March 2016.

Mr. Lee Chi Keung Jim, aged 51, is an independent Non-executive Director responsible for providing independent judgment on issues of strategy, performance resources and standard of conduct of the Company. He is the member of the Remuneration Committee, Nomination Committee and the Audit Committee.

Mr. Lee was awarded a Bachelor of Laws degree from the University of Hong Kong in 1995 and was admitted as a solicitor of the High Court of Hong Kong in 1999. He is currently working as a consultant of Lam and Lai, being a local law firm in Hong Kong. His practicing areas include civil and criminal litigations, company law, conveyancing law, conveyancing-related litigations and other commercial matters. He has the experience of acting for Hong Kong listed companies in their litigation matters in the High Court of Hong Kong. Mr. Lee has also been actively contributing to the pro bono legal services organized by the Home Affairs Bureau since 2002 and was awarded certificates under the Home Affairs Bureau's Recognition Scheme for Provision of Pro Bono Legal Services in 2012 and 2016 in appreciation for his contribution.

Report of the Directors

DIRECTORS (CONTINUED)

Independent Non-executive Directors (continued)

Dr. Chow Ho Wan, Owen, aged 46, is the founder and chairman of Sino Fame International Group Limited, Sino Fame Education Group Limited and the SF Capital Limited. He is also the founder and chairman of the Association of International Certified Financial Consultants (AICFC). Dr. Chow is currently an independent non-executive director of Hong Wei (Asia) Holding Limited (Stock Code: 08191). He was an independent non-executive director of GBA Holdings Limited (Stock Code: 00261), Wan Leader International Limited (Stock Code: 08482), Century Entertainment International Holdings Limited (Stock Code: 00959) and CIL Holdings Ltd (0479.HK).

Dr. Chow obtained the degree of Bachelor of Commerce from the University of Toronto, Canada in 1999 and subsequently obtained the Master of Science in Finance from the Chinese University of Hong Kong in 2003, the Bachelor of Laws from Tsinghua University, PRC in 2006 and the Doctor of Business Administration from European University, Switzerland in 2011. Dr. Chow also completed the Postdoctoral Global Leadership Research Program in University of Oxford.

Dr. Chow holds various professional qualifications including Certified Financial Consultants (CFC), Certified Financial Planners (CFMP), Certified Banking Risk Management (CBRM), fellow member of Hong Kong Institute of Directors (FHKIoD), CPA Australia, fellow of The Chartered Management Institute (FCMI), member of Hong Kong Securities and Investment Institute (MHKSI) and Canadian Securities Institute (CSI).

Dr. Chow is also the chairman of the Guangdong-Hong Kong-Macao-Bay Area Economic and Trade Association; vice president and chairman of Young Executives Committee of the Association of Chinese Culture of Hong Kong; committee member of the Chinese People's Political Consultative Conference (CPPCC) of the Guangdong-Foshan-Nanhai District; Member of the China Overseas Chinese Entrepreneurs Association; committee for the Overseas Union for Tianjin, Chongqing, Foshan, Nanhai and Beihai; committee member of the Qianhai QFAE Think-tank Experts; director at the Chambers of Commerce and Industry and the vice chairman for the Hong Kong Yuen Long Industries & Commerce Association.

Dr. Chow has over 20 years of experience in the finance and accounting field and used to work in various international banks and accounting firms.

Report of the Directors

DIRECTORS' SERVICE CONTRACTS

Each of the other Executive Directors has entered into a service agreement with the Company for an initial term of three years but the service agreement is terminable by either party giving three months' written notice or payment in lieu to the other party.

Each of the Independent Non-executive Directors has entered into letter of appointment with the Company for an initial term of three years, subject to retirement by rotation and re-election at annual general meeting and until terminated by not less than one month's written notice served by either party on the other.

No Director has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

The Company has received annual confirmation of independence from each of the Independent Non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and all of them are considered to be independent.

In accordance with the Articles of Association of the Company and to comply with the Code Provisions, Ms. Ho Chiu Ha Maisy, Mr. Lee Chi Keung Jim and Mr. Siu Chi Yiu Kenny shall retire from office at the forthcoming annual general meeting of the Company (the "2022 AGM") and, being eligible, offer themselves for re-election, at the 2022 AGM.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed herein, no transaction, arrangement or contract of significance to which the Company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a Director had a material interest, subsisted at the end of the Financial Year or at any time during the Financial Year.

INDEMNITY OF DIRECTORS

The Company has maintained appropriate directors and officers liability insurance and such permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the Financial Year.

Report of the Directors

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2022, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Company

Name of Director and Chief Executive Officer	Type of interests	Number of ordinary shares held	Number of underlying shares held	Approximate percentage of shareholding in the Company
Ms. Ho Chiu Ha Maisy	Beneficial owner	407,890,000	–	15.61%
Ms. Man Wing Yee Ginny	Beneficial owner	441,900,000	–	16.91%
Mr. Wang Qiang	Beneficial owner	100,000,000	–	3.83%
Mr. Lau Ling Tak	Beneficial owner	43,937,500	–	1.68%

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

As at 31 March 2022, so far as was known to the Directors, the following persons/entities (other than the Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group were as follows:

Long positions in the Company

Name of shareholders	Capacity	Number of ordinary shares held	Number of underlying shares held	Approximate percentage of shareholding in the Company
Mr. Chan Yu Fung	Beneficial owner	251,462,500	–	9.62%
Mr. Lam Kam Hung	Beneficial owner	163,900,000	–	6.27%

Save as disclosed above, as at 31 March 2022, the Directors were not aware of any other persons/entities (other than the Directors and chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group.

Report of the Directors

DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the reporting period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, based on the information that is publicly available to the Company and within the knowledge the Directors, the Directors confirm that the Company has maintained the amount of public float as required under the GEM Listing Rules.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Financial Year.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Pursuant to Appendix 20 Environmental, Social and Governance Reporting Guide (the "ESG Guide") of the GEM Listing Rules, the Group is required to prepare an ESG Report, which explains the management approaches, strategies, policies, measures taken and results of its activities on environmental and social areas and aspects, and evaluate their impact on the sustainable development of the environment and society. The Group has adopted and implemented the strategies, policies, rules and regulations in relation to the environmental and social areas and aspects of the ESG Guide with responsibility and a high Code of Standards, which can be summarised in the annual report of the Company for the year ended 31 March 2022 dated 30 June 2022.

A separate ESG report for further disclosure of Aspect A1 emissions matters as required under the ESG Guide will be published on the Stock Exchange's website and the Company's website no later than three months after the publication of this annual report.

DIRECTOR'S INTERESTS IN COMPETING INTERESTS

During the Financial Year, none of the Directors, the management shareholders of the Company and their respective close associates (as defined in the GEM Listing Rules) had any interest in a business which causes or may cause a significant competition with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

Report of the Directors

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with such required standard of dealings and its code of conduct regarding securities transactions by Directors during the Financial Year.

RELATED PARTIES TRANSACTIONS

Details of related parties transactions of the Group during the Financial Year are set out in note 35 to the financial statements. None of these related party transactions constitute connected transactions as defined under the GEM Listing Rules.

EQUITY-LINKED AGREEMENT

Details of the equity-linked agreement entered into during the Financial Year or subsisting at the end of the Financial Year are set out below:

Share Option Scheme

The purpose of the share option scheme (the "Scheme") is to advance the interests of the Company and the Shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group.

Eligible person under the Scheme include (collectively "Eligible Persons"):

(i) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group (collectively "Employee");

(ii) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of the Group (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid); any provider of goods and/or services to the Group; any customer of the Group; or any holder of securities issued by any member of the Group (collectively "Business Associate"); and

(iii) any other person, who at the sole discretion of the Board, has contributed to the Group (the assessment criteria of which are (1) such person's contribution to the development and performance of the Group; (2) the quality of work performed by such person for the Group; (3) the initiative and commitment of such person in performing his duties; (4) the length of service or contribution of such person to the Group; and (5) such other factors as considered to be applicable by the Board).

The Company has conditionally adopted the Scheme on 21 September 2011 under which the Eligible Persons may be granted options to subscribe for the Company's shares. The principal terms of the Scheme are summarised in the paragraph headed "Share Option Scheme" in Appendix V to the Prospectus. The principal terms of the Scheme are summarised as follows:

The Scheme was adopted for a period of 10 years commencing from 21 September 2011 and remains in force until 20 September 2021. The Company may, by resolution in general meeting or, such date as the Board determined, terminate the Scheme at any time without prejudice to the exercise of options granted prior to such termination.

Report of the Directors

EQUITY-LINKED AGREEMENT (CONTINUED)

Share Option Scheme (continued)

The subscription price per share of the Company for each option granted shall be a price solely determined by the Board and notified to an Eligible Person and shall be at least the highest of:

1. the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of offer for the grant of option (the "Date of Grant") which must be a trading day;

2. the average of the closing prices of the shares of the Company as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Date of Grant; and

3. the nominal value of the shares of the Company on the Date of Grant.

Upon acceptance of the options, the grantee shall pay a nominal value as determined by the Board to the Company as consideration for the grant. The acceptance of an offer of the grant of the option shall be made within the date as specified in the offer letter issued by the Company, normally being a date not later than 10 business days from the date upon which it is made. The exercise period of any option granted under the Scheme shall not be longer than 10 years commencing on the date of grant and expiring on the last day of such 10-year period subject to the provisions for early termination as contained in the Scheme.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue as at the date of approval.

On 30 September 2015, the shareholders of the Company had approved the refreshment of the 10% scheme mandate limit on the grant of options under the Scheme. Options previously granted (if any) under the Scheme (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Scheme) will not be counted for the purpose of calculating the scheme mandate limit as refreshed. Based on 2,260,000,000 shares of the Company in issue as at the date of refreshment, the Directors were authorised to issue options to subscribe for a total of 226,000,000 shares of the Company, representing 10% of the total number of shares of the Company in issue as at the date of refreshment. The total number of shares available for issue under the Scheme is 254,763,000, representing approximately 9.75% of the issued Shares of the Company as at the date of this report.

The maximum number of shares issued and to be issued upon exercise of the options granted and to be granted to each grantee under the Scheme (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the total number of shares of the Company in issue. Any further grant of options in excess of this 1% limit shall be subject to issuance of a circular by the Company and approved by its shareholders in accordance with the GEM Listing Rules.

EQUITY-LINKED AGREEMENT (CONTINUED)

Share Option Scheme (continued)

Regarding the Acceptance Period, under clause 4.2 of the Share Option Scheme, the Board could accord its discretion, determine certain terms of the Options, inter alia, acceptance period which should be within 10 business days. However, clause 12 of the Share Option Scheme permits the Board to amend, in its absolute discretion, any terms of the Share Option Scheme to the extent permitted by law and the GEM Listing Rules provided that the amendment does not fall into any items which need prior approval of the shareholders of the Company in general meeting, as below:

1. any of the provisions of the Share Option Scheme relating to matters contained in Rule 23.03 of the GEM Listing Rules to the advantage of the Grantees;

2. any terms and conditions of the Share Option Scheme which are of a material nature or any terms of Options granted except where such alternation take effect automatically under the existing terms of the Share Option Scheme; and

3. any provisions on the authority of the Board in relation to any alternation to the terms of the Share Option Scheme.

The Board, having sought legal advice from the Company's legal adviser, considers the Acceptance Period (i) will not have material effects to the operation and financial of the Group; (ii) does not fall into any items stipulated in Rule 23.03 of the GEM Listing Rules; and (iii) the Acceptance Period will not cause advantage to the Grantees. As such, the Acceptance Period does not fall into any of the factors as set out in clause 12.2 of the Share Option Scheme and the GEM Listing Rules as afore-mentioned and the grant of Options is therefore considered valid.

The total number of shares available for issue under the Share Options Scheme is 254,763,000, representing 9.75% of the issued shares as at the date of this annual report.

Details of movements in Share Options during the Financial Year are set out in note 34 to the Consolidated Financial Statements.

Report of the Directors

PRE-EMPTIVE RIGHTS

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

CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 10 to 22 in this annual report.

EVENTS AFTER THE REPORTING PERIOD

Subsequently to 31 March 2022, the Company received the letter from the Stock Exchange and in the view that the Company failed to maintain a sufficient level of operations and assets as required under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of its shares, and decided to up hold the decision of the Listing Division that the Company had failed to comply with Rule 17.26 of the GEM Listing Rules to suspend trading in the Company's shares under Rule 9.04(3) of the GEM Listing Rules. As a result, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 17 May 2022. On 8 June 2022, the Company had been notified by the Stock Exchange the guidance for resumption of trading in shares of the Company.

Details of the suspension of trading are set out in the announcements of the Company dated 21 January 2022, 28 January 2022, 22 February 2022, 4 May 2022, 16 May 2022 and 8 June 2022.

AUDITORS

HLB Hodgson Impey Cheng Limited resigned as the auditors of the Company with effect from 12 April 2022. McMillan Woods (Hong Kong) CPA Limited has been appointed as the auditors of the Company with effect from 12 April 2022 to fill the casual vacancy following the resignation of HLB Hodgson Impey Cheng Limited and to hold office until the conclusion of the next annual general meeting of the Company. For details, please refer to the Company's announcement dated 12 April 2022.

The consolidated financial statements have been audited by McMillan Woods (Hong Kong) CPA Limited who retires and, being eligible, offers themselves for re-appointment at the forthcoming annual general meeting.

By order of the Board

UNITAS HOLDINGS LIMITED
Ho Chiu Ha Maisy
Chairlady and Executive Director

Hong Kong, 30 June 2022

Independent Auditors' Report

McMillanWoods
Professionalism at the forefront

24/F., Siu On Centre,
188 Lockhart Road,
Wan Chai, Hong Kong

TO THE SHAREHOLDERS OF UNITAS HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Unitas Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 44 to 124, 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 consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

Independent Auditors' Report

KEY AUDIT MATTERS

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

Key audit matter	How our audit addressed the key audit matter

Allowance for expected credit losses assessment on trade receivables

Refer to the accounting policies in Note 3, critical judgement and estimates in Note 4(a), financial risk management in Note 5(b) and its relevant disclosures in Note 21 to the consolidated financial statements.

As at 31 March 2022, the Group had gross trade receivables of approximately HK$15,077,000. The provision for allowance for expected credit losses of approximately HK$916,000.

Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of allowance for expected credit losses based on information including credit profile of different customers or debtors, ageing of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers or debtors. Management also considered forward looking information that may impact the customers' or debtors' ability to repay the outstanding balances in order to estimate the expected credit losses for the allowance for expected credit losses assessment.

We focused on this area due to the allowance for expected credit losses assessment of trade receivables under the expected credit losses model involved the use of significant management judgments and estimates.

Our procedures in relation to management's impairment assessment on trade and other receivables included:

- Understanding and evaluating the key controls that the Group has implemented to manage and monitor its credit risk, and evaluating management's assessment process for allowance for expected credit losses;
- Checking, on a sample basis, the ageing profile of the trade receivables to the underlying financial records and post year-end settlements to bank receipts;
- Inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as performing public profile search for selected customers, understanding ongoing business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers or debtors;
- Assessing the appropriateness of the expected credit losses provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses; and
- Engaging independent competent expert to review the valuation process, methodologies used and market evidence to support significant judgements and assumptions applied in the valuation model prepared by the external valuer.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment of property, plant and equipment and right-of-use assets Refer to the accounting policies in Note 3, critical judgement and estimates in Note 4(b) and its relevant disclosures in Notes 17 and 18 to the consolidated financial statements.	
As at 31 March 2022, the carrying amounts of the Group's property, plant and equipment and right-of-use assets attributable to the cash generating units of the Group amounted to approximately HK$174,000 and HK$543,000 respectively, net of accumulated impairment loss provision of approximately HK$1,307,000 and HK$1,727,000 respectively. We identified impairment of property, plant and equipment and right-of-use assets as a key audit matter due to the significant management judgements involved in the impairment testing by estimating the recoverable amounts based on value-in-use calculation. Key assumptions adopted in the discounted cash flows included the estimates of the growth rates of business volume, gross margin and the pretax discount rate. During the year ended 31 March 2022, the Group recognised impairment loss of approximately HK$388,000 and HK$289,000 on property, plant and equipment and right-of-use assets allocated to IP automation and entertainment business segment, respectively.	Our procedures in relation to management's impairment assessment including but not limited to: • Understanding, evaluating and validating the Group's internal controls over the impairment assessment of property, plant and equipment and right-of-use assets; • Understanding and evaluating the management's processes in identifying impairment indicators; • Evaluating the assumptions underpinning the discounted cash flow models, including discount rates by comparing rates used by other comparable companies and revenue growth rates by reference to the budget of the Group; • Assessing the appropriateness of the valuation methodologies used by management based on our industry knowledge and relevant market practice; • Evaluating the historical accuracy of the forecasted future cash flows by comparing them to actual results in the current period and understanding the causes for significant variances, if any; • Checking, on a sampling basis, the accuracy and relevance of the input data used; and • Engaging independent competent experts to evaluate the reasonableness of the methodology and pre-tax discount rate adopted by management.

Independent Auditors' Report

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 March 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 30 June 2021.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditors' report thereon (the "Other Information").

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirement of the Hong Kong 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 FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

Independent Auditors' Report

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

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

McMillan Woods (Hong Kong) CPA Limited
Certified Public Accountants

Chan Chun Sing
Audit Engagement Director
Practising Certificate Number P05537
24/F, Siu On Centre,
188 Lockhart Road, Wan Chai, Hong Kong

Hong Kong, 30 June 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
CONTINUING OPERATIONS			
Revenue	8	**47,939**	7,175
Cost of operations		**(39,186)**	(4,025)
Gross profit		**8,753**	3,150
Other gains and losses	8	**652**	1,567
Net (allowance)/reversal of allowance for expected credit losses on trade and other receivables		**(922)**	3,095
Administrative and operating expenses		**(11,530)**	(12,945)
Impairment loss on property, plant and equipment and right-of-use assets		**(677)**	(2,357)
Finance cost	9	**(221)**	(329)
Loss before tax	10	**(3,945)**	(7,819)
Income tax expense	13	**(1,027)**	(24)
Loss for the year from continuing operations		**(4,972)**	(7,843)
DISCONTINUED OPERATION			
Loss for the year/period from discontinued operation	14	**–**	(309)
Loss for the year		**(4,972)**	(8,152)
Other comprehensive (expense) income for the year			
Item that will not be reclassified to profit or loss:			
Fair value change on financial assets at fair value through other comprehensive income		**(631)**	33
Other comprehensive (expense) income, net of income tax		**(631)**	33
Total comprehensive expense for the year		**(5,603)**	(8,119)
Loss for the year attributable to the owners of the Company		**(4,972)**	(8,152)
Total comprehensive expense for the year attributable to the owners of the Company		**(5,603)**	(8,119)
Loss per share attributable to the owners of the Company	16		
From continuing and discontinued operations			
Basic and diluted (HK cents per share)		**(0.20)**	(0.33)
From continuing operations			
Basic and diluted (HK cents per share)		**(0.20)**	(0.32)
From discontinued operation			
Basic and diluted (HK cents per share)		**–**	(0.01)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
Non-current assets			
Property, plant and equipment	17	**174**	1,273
Right-of-use assets	18	**543**	1,991
Financial assets at fair value through other comprehensive income	22	**275**	906
Deposits for property, plant and equipment	23	**718**	–
Deferred tax assets	19	**145**	–
		1,855	4,170
Current assets			
Inventories	20	**281**	462
Trade receivables	21	**14,161**	657
Prepayments, deposits and other receivables	23	**6,841**	1,435
Cash and cash equivalents	24	**28,431**	26,539
		49,714	29,093
Current liabilities			
Trade payables	25	**11,065**	54
Other payables and accruals	26	**2,663**	3,082
Contract liabilities	27	**3,781**	288
Loans from shareholders	28	**1,939**	1,018
Lease liabilities	18	**1,345**	2,307
Tax payable		**9,819**	8,689
		30,612	15,438
Net current assets		**19,102**	13,655
Total assets less current liabilities		**20,957**	17,825
Non-current liabilities			
Lease liabilities	18	**378**	1,723
Net assets		**20,579**	16,102

Consolidated Statement of Financial Position

As at 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
EQUITY			
Equity attributable to the owners of the Company			
Share capital	29	**26,130**	24,730
Reserves		**(5,551)**	(8,628)
Total equity		**20,579**	16,102

Approved and authorised for the issue by the board of directors on 30 June 2022 and signed on its behalf by:

Ms. Man Wing Yee Ginny
Director

Mr. Lau Ling Tak
Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital	Share premium	Financial assets at fair value through other comprehensive income reserve	Other reserve	Share option reserve	Accumulated losses	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
			(Note (i))	*(Note (ii))*	*(Note (iii))*		
At 1 April 2020	24,730	288,837	–	19	1,954	(291,319)	24,221
Loss and total comprehensive expenses for the year	–	–	33	–	–	(8,152)	(8,119)
Release of other reserve from disposal of subsidiaries	–	–	–	(19)	–	19	–
At 31 March 2021 and 1 April 2021	24,730	288,837	33	–	1,954	(299,452)	16,102
Loss and total comprehensive expenses for the year	–	–	(631)	–	–	(4,972)	(5,603)
Issuance of shares	1,400	8,680	–	–	–	–	10,080
At 31 March 2022	**26,130**	**297,517**	**(598)**	**–**	**1,954**	**(304,424)**	**20,579**

Notes:

(i) Financial assets at fair value through other comprehensive income reserve comprises the cumulative net change in the fair value of equity investments designated at fair value through other comprehensive income under HKFRS 9 that are held at the end of the reporting period.

(ii) The amount represented the difference between the nominal amount of shares issued by the Company and the aggregate amount of the share capital of subsidiaries acquired under common control pursuant to the reorganisation during the year ended 31 March 2012.

(iii) The amount represented the equity-settled share-based payments recognised during the year ended 31 March 2015.

The accompany notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax			
– Continuing operations		**(3,945)**	(7,819)
– Discontinued operation		**–**	(309)
		(3,945)	(8,128)
Adjustments for:			
Depreciation of property, plant and equipment	*17*	**711**	1,002
Depreciation of right-of-use assets	*18*	**1,159**	2,774
Net allowance/(reversal of allowance) for expected credit losses on trade and other receivables		**922**	(2,752)
Fair value loss on financial assets at fair value through profit or loss		**–**	42
Gain on termination of lease		**–**	(171)
COVID-19-related rent concessions		**(286)**	(680)
Gain on de-registration of a subsidiary		**(19)**	–
Gain on disposals of subsidiaries	*33*	**–**	(1,340)
Impairment loss of property, plant and equipment, right-of-use assets		**677**	2,357
Finance cost		**221**	335
Operating cash flows before movements in working capital		**(560)**	(6,561)
Decrease/(increase) in inventories		**181**	(124)
Increase in trade receivables		**(14,385)**	(898)
(Increase)/decrease in prepayments, deposits and other receivables		**(5,447)**	46,467
Decrease in amount due from a related company		**–**	51
Increase in trade payables		**11,011**	18
(Decrease)/increase in other payables and accruals		**(399)**	2,357
Increase in contract liabilities		**3,493**	151
Cash (used in)/generated from operations		**(6,106)**	41,461
Income tax paid		**(43)**	–
Net cash (used in)/generated from operating activities		**(6,149)**	41,461
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		**–**	(1,717)
Cash outflow in disposal of subsidiaries		**–**	(565)
Deposits paid on acquisition of property, plant and equipment		**(718)**	–
Net cash used in investing activities		**(718)**	(2,282)

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance from/(repayment to) shareholders		**921**	(11,582)
Proceeds from issuance of shares	29	**10,080**	–
Repayment of lease liabilities		**(2,242)**	(2,205)
Net cash generated from/(used in) financing activities		**8,759**	(13,787)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**1,892**	25,392
Cash and cash equivalents at the beginning of the year		**26,539**	1,147
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**28,431**	26,539
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances		**28,431**	26,539

The accompany notes form an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

1. CORPORATE INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 20 April 2011. The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681 KY1-1111, Cayman Islands. The principal place of business is Flat C, 16/F., MG Tower, 133 Hoi Bun Road, Kwun Tong, Hong Kong.

The Company acts as an investment holding company. Principal activities of its subsidiaries are disclosed in Note 32.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company. All values are rounded to the nearest thousand (HK$'000), unless otherwise stated.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

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

The nature and impact of the amendments are described below.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 - Interest Rate Benchmark Reform - Phase 2

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate ("IBOR") is replaced with an alternative nearly risk-free interest rate ("RFR"). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
- Provide temporary reliefs to entities from having to meet the separately identifiable requirement when a RFR instrument is designated as a hedge of a risk component.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

Amendment to HKFRS 16, COVID-19-Related Rent Concessions beyond 30 June 2021

The Group has applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions for the first time and the Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 in the current year. The amendments introduce a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions that occurred as a direct consequence of the Covid-19 pandemic that meets all of the following conditions:

- 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;

- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 *Leases* if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

These amendments have no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (CONTINUED)

New and amended HKFRSs that have been issued but are not yet effective

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

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

1 Effective for annual periods beginning on or after 1 January 2022.
2 Effective for annual periods beginning on or after 1 January 2023.
3 Effective for annual periods beginning on or after a date to be determined.

The directors of the Group anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation

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

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

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

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Basis of consolidation (continued)

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

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

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

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 owners of the Company.

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

(d) Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Except for certain recognition exemptions, the identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the *Framework for the Preparation and Presentation of Financial Statements (replace by the Conceptual Framework for Financial Reporting issued in October 2010).*

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Business combination (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition; and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the noncontrolling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under HKFRS 9 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Business combination (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(e) Goodwill

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

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

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

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

(f) Impairment of property, plant and equipment and right-of-use assets

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs when the operation is abandoned.

When an operation is classified as discontinued, a single amount is presented on the face of the profit or loss, which comprises:

– the post-tax profit or loss of the discontinued operation; and

– the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

(h) Revenue and other income recognition

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

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

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

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

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Revenue and other income recognition (continued)

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

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

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

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

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Revenue from IP automation operation and entertainment business

Revenue from IP automation operation represents the gross pay-ins, less gross payouts to customers and/or utilitied the game token by the customers.

Income from unused amount in game token, which means the prepaid cash amount, exchanged the game services in the future, is recognised when the game token is utilised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Revenue and other income recognition (continued)

Revenue from sales of merchandise

Revenue from sales of merchandise is recognised when the control of the products is transferred to the customers upon sale. Payment of the transaction price is due immediately when the customers purchase the good.

Services income from IP automation

The services income from IP automation is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation, as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

Customer loyalty programme

The Group operates a loyalty programme where the customers accumulate the award points from the game which entitle them to redeem award points for discounts in exchange of merchandise in future. The transaction price is allocated to the game and the award points on estimation basis for expected value to be entitled in exchange for equivalent value of goods in the future. Revenue from the award points is recognised when the award points are redeemed. Contract liabilities are recognised until the award points are redeemed.

Revenue from dry bulk shipping and logistic services

Revenue from time charter of dry bulk shipping and logistic services, is recognised on a straight-line basis over the period of each time charter contract.

Revenue from voyage charter of dry bulk shipping and logistic services is recognised based on the time proportion method of each individual voyage contract.

Revenue from brand management and marketing consulting services

The Group provides the brand management and marketing consulting services to the customers. Under HKFRS 15, the Group assessed that the performance obligation for brand management and marketing consulting services is fulfilled when all relevant duties as stated in the contract are completed. Revenue from brand management and marketing consulting services is recognised at a point in time when all relevant duties as stated in the contract are completed.

Interest income

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Inventories

Inventories for prizes and merchandise are stated at the lower of cost and net realisable value. Net realisable value is determined by reference to sale proceeds less selling expenses. Cost of inventories are determined using the weighted average basis.

(j) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses. 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. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset or as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvement:	50% or over the shorter of the lease term
Furniture, fixtures and equipment:	20% – 40%
Motor vehicles:	33.33%
Machinery:	25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised 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 on disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sales proceeds and the carrying amount of the relevant asset and is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases

Definition of a lease

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

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

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

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

Short-term leases and leases of low-value assets

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

Right-of-use assets

The cost of right-of-use asset includes:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases (continued)

The Group as a lessee (continued)

Right-of-use assets (continued)

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19 related rent concessions in which the Group applied the practical expedient.

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

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

Refundable rental deposits

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

Lease liabilities

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

Lease payments included in the measurement of the lease liability comprise:

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

Variable lease payments that reflect changes in market rental rates are initially measured using the market rental rates as at the commencement date. Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period in which the event or condition that triggers the payment occurs.

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

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

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

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

The Group presents lease liability as a separate line in the consolidated statement of financial position.

Lease modifications

Except for Covid-19 related rent concessions in which the Group applied the practical expedient, the Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases (continued)

The Group as a lessee (continued)

Lease modifications (continued)

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Covid-19 related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- 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;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021;
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

(l) Foreign currencies

The financial statements are presented in Hong Kong Dollars. Each entity in the Group determines its own functional currency, and items included in financial statements of each entity are measured using that functional currency.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Foreign currencies (continued)

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

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

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

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving 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 becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share-based transactions are set out in Note 34.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

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

(n) Taxation

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

Current tax

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

Deferred tax

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Taxation (continued)

Deferred tax (continued)

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

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

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

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

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Instruments

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

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

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

Interest income which are derived from the financial assets is presented as other income.

Financial assets

Classification and subsequent measurement of financial assets

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

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and

- the contractual terms give rise on specified dates to cash flow s that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (continued)

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or

- on initial recognition it is a part of a portfolio of identified d financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

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

Equity instruments designated as at FVTOCI
Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the financial assets at FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits/will continue to be held in the financial assets at FVTOCI reserve.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other gains and losses" line item in profit or loss.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Instruments (continued)

Financial assets (continued)

Impairment of financial assets

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, deposits, other receivables, amount due from a related company and cash and cash equivalents which are subject to impairment under HKFRS 9). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

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

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with debtors having similar credit ratings.

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

Significant increase in credit risk

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Significant increase in credit risk (continued)

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

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

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due (except for trade receivables from customers where a shorter period of "past due" has been applied by the directors in view of the nature of business operation and practice in managing the credit risk), unless the Group has reasonable and supportable information that demonstrates otherwise.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Credit-impaired financial assets

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

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(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; or

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discontinued at the effective interest rate determined at initial recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Measurement and recognition of ECL (continued)
Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

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

- Past-due status;

- Nature, size and industry of debtors; and

- External credit ratings where available.

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

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

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, deposits and other receivables where the corresponding adjustments are recognised through a loss allowance account.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the asset of the Group after deducting all of its liabilities. The Group's financial liabilities are classified into other financial liabilities. The accounting policies adopted in respect of financial liabilities and equity instruments are set out below.

Other financial liabilities

Other financial liabilities (including trade payables, other payables and accruals, loans from shareholders and lease liabilities) are subsequently measured at amortised cost, using the effective interest rate method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Instruments (continued)

Financial liabilities and equity (continued)

Equity instruments

Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Interest expense is recognised on an effective interest basis other than those financial liabilities designated as at FVTPL.

Derecognition

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities are derecognised when the obligation specific in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial Instruments (continued)

Derecognition (continued)

Offsetting a financial asset and a financial liability

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities.

(p) Provisions

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

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

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

(q) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprises of cash on hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

(r) Government grants

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

Governments grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchases, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Government grants (continued)

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

(s) Employee benefits

Employee leave entitlements

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

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

Short-term and other long-term employee benefits

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

(t) Related parties transaction

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

(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 a parent of the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Related parties transaction (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 parent, subsidiary and fellow subsidiaries is related to the others);

(ii) one entity is an associate or joint venture of the other entity for an associate or joint venture of a member of a group 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 employees are also related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influence 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 the person or that person's spouse or domestic partner.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between the Group and a related party, regardless of whether a price is charged.

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between the Group and a related party, regardless of whether a price is charged.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the consolidated statements of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

(v) 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 chief operating decision maker for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments 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 nature of production processes, the type or class of customers, the methods used to distribute the products or to provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

Critical judgments in applying accounting policies, accounting estimates and assumptions

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

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Critical judgments in applying accounting policies, accounting estimates and assumptions (continued)

(a) Provision of ECL for trade and other receivables

The loss allowances for financial assets at amortised cost are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 5(b).

As at 31 March 2022, the carrying amount of trade receivables and other receivables are approximately HK$14,161,000 (2021: HK$657,000) and HK$114,000 (2021: HK$37,000) respectively (net of loss allowance of approximately HK$916,000 (2021: HK$35,000) and HK$344,000 (2021: HK$303,000) respectively). The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and other receivables are disclosed in Notes 5(b), 21 and 23.

(b) Impairment of property, plant and equipment and right-of-use assets

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

As at 31 March 2022, the carrying amounts of property, plant and equipment and right-of-use assets subject to impairment assessment were approximately HK$174,000 (2021: HK$1,273,000) and HK$543,000 (2021: HK$1,991,000) respectively; after taking into account the accumulated impairment losses of approximately HK$1,307,000 (2021: HK$919,000) and HK$1,727,000 (2021: HK$1,438,000) in respect of property, plant and equipment and right-of-use assets that have been recognise respectively. During the year ended 31 March 2022, the Group recognized impairment loss of HK$388,000 and HK$289,000 on property, plant and equipment and right-of-use assets allocated to IP automation and entertainment business segment, respectively. Details of the impairment of property, plant and equipment and right-of-use assets are disclosed in Notes 17 and 18 respectively.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

Critical judgments in applying accounting policies, accounting estimates and assumptions (continued)

(c) Income tax

Determining income tax provisions involve judgment on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

During the year, HK$1,027,000 (2021: HK$24,000) of income tax was charged to profit or loss based on the estimated profit from continuing operations.

(d) Incremental borrowing rate

In determination on incremental borrowing rate, the Group applies judgment to determine the applicable rate to calculate the present value of lease payments. The incremental borrowing rate of the Group applied will significantly affects the amount of lease liabilities and right-of-use assets recognised.

At 31 March 2022, the carrying amount of right-of-use assets and lease liabilities are HK$543,000 (2021: HK$1,991,000) and HK$1,723,000 (2021: HK$4,030,000) respectively.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Categories of financial instruments

	2022 ***HK$'000***	2021 *HK$'000*
Financial assets		
At amortised costs		
– Trade receivables	**14,161**	657
– Deposits and other receivables	**1,848**	1,346
– Cash and cash equivalents	**28,431**	26,539
	44,440	28,542
At fair value		
Financial assets at FVTOCI	**275**	906

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Categories of financial instruments (continued)

	2022	2021
	HK$'000	*HK$'000*
Financial liabilities		
At amortised costs		
– Trade payables	**11,065**	54
– Other payables and accruals	**2,663**	3,082
– Loans from shareholders	**1,939**	1,018
	15,667	4,154

(b) Financial risk management objectives and policies

The Group's principal financial instruments comprise financial assets at FVTOCI, trade receivables, deposits and other receivables, cash and cash equivalents, trade payables, other payables and accruals and loans from shareholders. The main purpose of these financial instruments is to finance the Group's operations.

The main risks arising from the Group's financial instruments are market risk (including foreign currency risk, interest rate risk, and price risk), credit risk, price risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, equity price and interest rates.

Market risk exposures are measured by sensitivity analysis. Details of sensitivity analysis for foreign currency risk, interest rate risk and price risk are set out below.

Foreign currency risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group carries out its business mainly in Hong Kong and all of the transactions are denominated in HK$. The Group's assets and liabilities are mainly denominated in HK$, except certain bank balances are denominated in United States dollars ("US$"). As Hong Kong dollar are pegged to US$, it is assumed that there would be no material currency risk exposure between these two currencies. The Group does not have any formal hedging policies.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities (Note 18) and cash flow interest rate risk in relation to variable-rate bank balances. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on bank balances. At 31 March 2022 and 31 March 2021, the management of the Group considers that the exposure to the Group arising from interest rate risk is limited and no sensitivity analysis is therefore prepared.

Price risk

The Group is exposed to equity securities price risk because investments held by the Group are classified on the consolidated statement of financial position as financial assets at FVTOCI. To manage its price risk arising from investments in equity securities, the Group monitors the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the reporting date:

If the equity prices had been 5% higher or lower:

– other comprehensive expense for the year ended 31 March 2022 would have been approximately of HK$11,000 (2021: HK$30,000) lower/higher, arising as a result of the fair value change of the equity investment at fair value through other comprehensive income.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables, deposits and other receivables, and cash and bank balances. At 31 March 2022, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arising from the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade receivables and other receivables

Credit evaluations are performed on all customers requiring credit terms. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as to the economic environment.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and therefore significant concentrations of credit risk primarily arises when the Group has significant exposure to individual customers.

The Group has a concentration of credit risk in certain individual customers. At the end of each reporting period, the five largest receivable balances accounted for approximately 97.5% (2021: approximately 76.2%) of the trade receivables and the largest trade receivable was approximately 68.4% (2021: approximately 33.5%) of the Group's total trade receivables. The Directors closely monitor the risk exposure of the customers and collateral and would take appropriate action to ensure the risk exposure is acceptable. The Directors are of the view that the expected cash flow of trade receivables are sufficient to cover the carrying amount of trade receivables as at 31 March 2022.

In order to minimise the credit risk, the management has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the management reviews the recoverability of each trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group applies simplified approach on trade receivables to provide for the ECL prescribed by HKFRS 9. The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade receivables and other receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 March 2022 and 2021:

	Expected loss rate	**Gross carrying amount**	**Loss allowance**
	%	***HK$'000***	***HK$'000***
At 31 March 2022			
Within 30 days past due	**3.3**	**13,331**	**436**
31-60 days past due	**3.3**	**12**	**–**
61-90 days past due	**3.3**	**516**	**17**
Over 90 days past due	**38.0**	**1,218**	**463**
	6.1	**15,077**	**916**

	Expected loss rate	Gross carrying amount	Loss allowance
	%	*HK$'000*	*HK$'000*
At 31 March 2021			
Within 30 days past due	1.2	83	1
31-60 days past due	1.2	16	–
61-90 days past due	2.4	42	1
Over 90 days past due	6.0	551	33
	5.1	692	35

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Trade receivables and other receivables (continued)

The closing loss allowances for trade receivables and other receivables as at 31 March 2022 and 2021 reconciled to the opening loss allowances as follows:

	Trade receivables Life-time ECL (Non-credit impaired)	Other receivables Life-time-ECL (Non-credit impaired)	Other receivables Life-time ECL (Credit impaired)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2020	(327)	–	(3,547)	(3,874)
Disposal of subsidiaries	327	–	114	441
Reversal of loss allowance recognised in profit or loss during the year	350	–	3,270	3,620
Increase in loss allowance recognised in profit or loss during the year	(385)	(3)	(137)	(525)
At 31 March 2021 and at 1 April 2021	(35)	(3)	(300)	(338)
Transfer to credit-impaired	–	38	(38)	–
Increase in loss allowance recognised in profit or loss during the year	(881)	(41)	–	(922)
At 31 March 2022	**(916)**	**(6)**	**(338)**	**(1,260)**

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than agreed contract terms.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Expected loss rates are based on actual loss experience over the past 2 years and are adjusted for the forword-looking information that is available without undue cost or effort. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables, deposits and other receivables are set out in Notes 21 and 23 to the consolidated financial statement.

The management monitors the financial background and creditability of those debtors on an ongoing basis. The Group seeks to minimise its risk by dealing with counterparties which have good credit history.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Other receivables

In determining the ECL of the Group's other receivables, the management assessed the expected credit losses individually by estimation based on historical credit losses experience, general economic conditions of the relevant industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. During the year end 31 March 2022, the Group made allowance for the expected credit losses related to the other receivables was amount of HK$41,000. (2021: net reversal of allowance of expected credit losses HK$3,130,000).

Deposits

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. The Group has assessed that the expected credit loss rate for these receivables are immaterial under 12 months expected credit losses method. Thus, no loss allowance for deposit was recognised as at 31 March 2022 and 2021.

Deposits with banks

In respect to the Group's deposit with banks, the Group limits its exposure to credit risk by placing deposits with financial institution with high credit rating and no recent history of default. Given the high credit ratings of the banks, management does not expect any counterparty to fail to meet its obligations. Management will continues to monitor the position and will take appropriate action if their are changed. As at 31 March 2022 and 2021, the Group has no significant concentration of credit risk in relation to deposit with bank.

In these regards, other than the credit risks mentioned above, the management considers the Group does not have any other significant credit risk and the exposures to these credit risks are monitored on an ongoing basis.

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of internal funding to meet its working capital requirements.

The Group monitors its risk to a shortage of funds by considering the maturity of both its financial liabilities and financial assets (for example, trade receivables) and projected cash flows from operations.

The maturity profile of the financial liabilities as at the end of the respective reporting periods, based on the contractual undiscontinued payments, is as follows:

31 March 2022

	Weighted average effective interest rate *%*	Repayable on demand or within 1 year *HK$'000*	2 to 5 years *HK$'000*	Over 5 years *HK$'000*	Total undiscontinued cash flows *HK$'000*	Total carrying amount *HK$'000*
Non-derivative financial liabilities						
Trade payables	–	11,065	–	–	11,065	11,065
Other payables and accruals	–	2,663	–	–	2,663	2,663
Loans from shareholders	–	1,939	–	–	1,939	1,939
Lease liabilities	8.49	1,412	385	–	1,797	1,723
		17,079	385	–	17,464	17,390

31 March 2021

	Weighted average effective interest rate *%*	Repayable on demand or within 1 year *HK$'000*	2 to 5 years *HK$'000*	Over 5 years *HK$'000*	Total undiscontinued cash flows *HK$'000*	Total carrying amount *HK$'000*
Non-derivative financial liabilities						
Trade payables	–	54	–	–	54	54
Other payables and accruals	–	3,082	–	–	3,082	3,082
Loans from shareholders	–	1,018	–	–	1,018	1,018
Lease liabilities	8.49	2,528	1,413	384	4,325	4,030
		6,682	1,413	384	8,479	8,184

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Fair value estimation

The fair value of financial assets and financial liabilities are determined as follows:

(i) the fair value of financial assets and financial liabilities (including derivative instruments) with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;

(ii) the fair value of other financial assets and financial liabilities (including derivative instruments) are determined in accordance with generally accepted pricing models based on discontinued cash flow analysis using prices or rates from observable current market transactions as input; and

(iii) the fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discontinued cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

Except as detailed in the following tables, the directors consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Fair value estimation (continued)

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's assets and liabilities are measured of fair value on a recurring basis.

Fair value hierarchy as at 31 March 2022

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Financial assets				
Financial assets at FVOCI	**–**	**–**	**275**	**275**

Fair value hierarchy as at 31 March 2021

	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
Financial assets at FVOCI	–	–	906	906

There were no transfers between Level 1, 2 and 3 during the years.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Fair value estimation (continued)

Fair value measurements recognised in the consolidated statement of financial position (continued)

Reconciliation of assets measured at fair value based on level 3:

	Unlisted equity securities *HK$'000*
At 1 April 2020	–
Reclassification of remaining interest from investment in subsidiaries to financial assets at FVTOCI	873
Gain recognised in other comprehensive income	33
At 31 March 2021 and 1 April 2021	906
Loss recognised in other comprehensive expense	(631)
At 31 March 2022	275

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

Financial assets	**Fair value as at**		**Fair value hierarchy**	**Valuation techniques and key inputs**	**Significant unobservable inputs (relationship of unobservable inputs to fair value)**	**Range**	**Sensitivity**
	31 March 2022	31 March 2021					
Financial assets at FVOCI *(Note 22)*	**Unlisted equity in Hong Kong: approximately HK$275,000**	Unlisted equity in Hong Kong: approximately HK$906,000	Level 3	Market approach, discount for marketability and discount for lack of control.	Discount for lack of control	32% (2021: 32%)	A significant increase in the market unit rate used would result in a significant increase in fair value, and vice versa.

6. CAPTIAL RISK MANAGEMENT

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholder value.

The capital structure of the Group consists of debts which include total liabilities and total equity, mainly comprising issued capital, reserves and accumulated losses.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is total debts divided by total equity. The decrease in gearing ratio was due to the increase in the share capital and share premium. The gearing ratios at the end of each reporting period were as follows:

	2022 ***HK$'000***	2021 *HK$'000*
Total debts#	**3,662**	5,048
Total equity	**20,579**	16,102
Gearing ratio	**17.8%**	31.4%

\# Total debts represent the loans from shareholders and lease liabilities.

The externally imposed capital requirements for the Group is that in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares of the Company throughout the year. Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float of at least 25% throughout the year ended 31 March 2022.

7. SEGMENT INFORMATION

Information reported to the management of the Group, being the chief operating decision maker ("CODM"), for the purpose of resource allocation and assessment of segment performances, focuses on the types of goods or services delivered or provided. This is also the basis upon which the Group is organised and specifically focuses on the Group's operating divisions. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The corporate finance advisory services business was discontinued during the year ended 31 March 2021 upon completion of disposal of the wholly-owned subsidiary of the Company, Chanceton Alliance Investments Holdings Limited, which are described in more detail in Note 14. The segment information report below does not included any amounts from the discontinued operation.

The Group's reportable and operating segments under HKFRS 8 are as follows:

- Dry bulk shipping and logistic services
- IP automation and entertainment business

Segment revenue and results

Continuing operations

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

	Dry bulk shipping and logistic services		**IP automation and entertainment business**		**Consolidated**	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue	**37,773**	–	**10,166**	7,175	**47,939**	7,175
Segment results	**3,204**	2,762	**(1,843)**	(3,617)	**1,361**	(855)
Unallocated corporate expenses					**(5,240)**	(6,786)
Unallocated corporate income					**44**	151
Finance cost					**(110)**	(329)
Loss before tax					**(3,945)**	(7,819)
Income tax					**(1,027)**	(24)
Loss for the year					**(4,972)**	(7,843)

Revenue reported was generated from external customers. There were no inter-segment sales during the year ended 31 March 2022 (2021: Nil).

Segment results represent the profit earned/(loss incurred) by each segment without allocation of other gains and losses and income tax. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

7. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

Continuing operations

	Dry bulk shipping and logistic services		IP automation and entertainment business		Consolidated	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**16,806**	423	**20,571**	15,152	**37,377**	15,575
Unallocated assets					**14,192**	17,688
Consolidated total assets					**51,569**	33,263
Segment liabilities	**22,572**	9,555	**5,555**	3,863	**28,127**	13,418
Unallocated liabilities					**2,863**	3,743
Consolidated total liabilities					**30,990**	17,161

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

- all assets are allocated to reportable segments other than other corporate financial assets;
- all liabilities are allocated to reportable segments other than other corporate financial liabilities.

7. SEGMENT INFORMATION (CONTINUED)

Other segment information

Continuing operations

	Dry bulk shipping and logistic services		IP automation and entertainment business		Unallocated		Consolidated	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Other segment information								
Depreciation of property, plant and equipment	**–**	(3)	**(529)**	(932)	**(182)**	(63)	**(711)**	(998)
Depreciation of right-of-use assets	**–**	–	**(797)**	(1,535)	**(362)**	(930)	**(1,159)**	(2,465)
Net allowance for expected credit losses on trade and other receivables	**(338)**	3,270	**(546)**	(37)	**(38)**	(138)	**(922)**	3,095
Impairment loss on property-plant and equipment	**–**	–	**(388)**	(852)	**–**	(67)	**(388)**	(919)
Impairment loss on right-of-use assets	**–**	–	**(289)**	(785)	**–**	(653)	**(289)**	(1,438)
Additions to non-current assets*	**–**	–	**–**	1,231	**–**	486	**–**	1,717

* The amount represents additions to property, plant and equipment for the years ended 31 March 2022 and 2021.

Information about major customers

Revenue from major customers, each of them amounted to 10% or more of the Group's revenue, are set out below:

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Customer A[1]	**36,955**	*–
Customer D[2]	***–**	927

* The corresponding revenue did not contribute over 10% of the Group's total revenue.

Note:

1 Revenue from the dry bulk shipping and logistic services segment.

2 Revenue from the IP automation and entertainment business.

7. SEGMENT INFORMATION (CONTINUED)

Geographical information

Continuing operations

The Group's operations are located in Hong Kong and overseas.

The revenues generated from IP automation and entertainment business mainly in Hong Kong and the people's Republic of China and provision of dry bulk shipping and logistic services are classified into international shipping. For the geographical information, freight revenues from dry bulk shipping and logistic services are analysed based on the destination of the ports at different geographical territories.

	Revenue	
	2022	2021
	HK$'000	*HK$'000*
Hong Kong	**6,216**	7,175
The People's Republic of China	**4,643**	–
Benin	**5,278**	–
Egypt	**3,824**	–
Nigeria	**19,365**	–
South Africa	**125**	–
Tanzania	**2,007**	–
The United States of America	**6,481**	–
	47,939	7,175

During the years ended 31 March 2022 and 2021, all non-current assets of the Group are located in Hong Kong and no analysis of the Group's assets by geographical area is disclosed.

8. REVENUE AND OTHER GAINS AND LOSSES

Continuing operations

Revenue represents the aggregate of the amounts received and receivable from third parties. Revenue from dry bulk shipping and logistic business and IP automation and entertainment business recognised during the years are as following:

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Disaggregation of revenue from contracts with customers		
Dry bulk shipping and logistic services income	**37,773**	–
Revenue from IP automation and entertainment business	**465**	656
Sales of merchandises	**5,620**	6,404
Services income from IP automation	**131**	115
Brand management and marketing consulting services	**3,950**	–
Revenue from contracts with customers	**47,939**	7,175
Timing of revenue recognition:		
– At a point in time	**10,035**	7,060
– Over time	**37,904**	115
	47,939	7,175

Performance obligations for contracts with customers

Details of performance obligations for contracts with customers for the years ended 31 March 2022 and 2021 are set out in Note 3(h).

Transaction price allocated to the remaining performance obligation for contracts with customers

All revenue are for the periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

8. REVENUE AND OTHER GAINS AND LOSSES (CONTINUED)

Continuing operations (continued)

Other gains and losses during the years are as follows:

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Bank interest income	**1**	2
Govenment grants *(Note)*	**–**	500
COVID-19-related rent concessions	**286**	680
Gain on lease termination	**–**	171
Sundry income	**140**	248
Gain on de-registration of a subsidiary	**19**	–
Exchange gain/(loss)	**206**	(34)
	652	1,567

Note: For the year ended 31 March 2021, Government grants mainly included on amounting of approximately HK$340,000 for Employment Support Scheme provided by the Hong Kong government. For the year ended 31 March 2022, no such government grants was received.

9. FINANCE COST

Continuing operations

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Interests on lease liabilities	**221**	329

10. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

Continuing operations

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Employee benefit expenses (including directors' and chief executive officers' emoluments) *(Note 11)*		
– Wages, salaries, allowance and bonus	**4,676**	4,735
– Contribution to retirement benefits schemes	**169**	241
	4,845	4,976
Net allowance for expected credit losses on trade and other receivables:		
– Allowance for expected credit losses on trade and other receivables	**881**	175
– Allowance/(Reversal of allowance) expected credit losses on other receivables	**41**	(3,270)
Depreciation of property, plant and equipment *(Note 17)*	**711**	998
Depreciation of right-of-use assets *(Note 18)*	**1,159**	2,465
Auditors' remuneration:		
– Audit services	**600**	580
Expense relating to short term leases and leases of low value assets	**162**	220

11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS

Details of directors' and chief executive officer's emoluments are as follows:

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Fee	**360**	454
Other emoluments:		
– Salaries, allowance, bonuses and benefits in kind payment expenses	**1,178**	1,113
– Contribution to retirement benefits schemes	**36**	24
	1,574	1,591

11. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS (CONTINUED)

The emoluments paid or payable to each of the five (2021: five) directors and the chief executive officer were as follows:

	Fee		Salaries		Other benefit contributions		Pension scheme remuneration		Total	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Name of directors	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Executive directors										
Ms. Ho Chiu Ha Maisy (Chairman)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Mr. Wang Qiang (Chief Executive Officer)	**–**	–	**80**	–	**–**	–	**–**	–	**80**	–
Mr. Lau Ling Tak	**–**	–	**1,098**	1,097	**–**	16	**18**	–	**1,116**	1,113
Ms. Man Wing Yee Ginny	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
	–	–	**1,178**	1,097	**–**	16	**18**	–	**1,196**	1,113
Independent-non-executive directors										
Mr. Yau Yan Ming Raymond *(Note (a))*	**–**	96	**–**	–	**–**	–	**–**	5	**–**	101
Mr. Siu Chi Yiu Kenny	**120**	150	**–**	–	**–**	–	**6**	8	**126**	158
Mr. Lee Chi Keung Jim	**120**	150	**–**	–	**–**	–	**6**	8	**126**	158
Dr. Chow Ho Wan Owen *(Note (b))*	**120**	58	**–**	–	**–**	–	**6**	3	**126**	61
	360	454	**–**	–	**–**	–	**18**	24	**378**	478
Total	**360**	454	**1,178**	1,097	**–**	16	**36**	24	**1,574**	1,591

Notes:

(a) Mr. Yau Yan Ming Raymond was resigned as an independent non-executive director with effect from 13 October 2020.

(b) Mr. Chow Ho Wan, Owen was appointed as an independent non-executive director with effect from 13 October 2020.

No remuneration was paid or payable by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office during the year (2021: Nil).

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2021: Nil).

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

12. EMPLOYEES' EMOLUMENTS

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included one executive director (2021: one) whose emoluments were reflected in the analysis presented in Note 11 to the consolidated financial statements. The emolument of the remaining four individual (2021: four) was as follows:

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Salaries	**2,821**	2,750
Allowances and bonuses	**50**	–
Contribution to retirement benefits schemes	**72**	85
	2,943	2,835

The emolument of the four (2021: four) individuals who are non-director, with the highest emoluments are within the following band:

	Number of individuals Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Nil to HK$1,000,000	**4**	4

No emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as a compensation for loss of office (2021: Nil).

13. INCOME TAX EXPENSE

Continuing operations

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Provision for the year	**1,094**	24
Under-provision in prior years	**78**	–
Deferred tax	**(145)**	–
	1,027	24

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No.7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK$2 million will be taxed at 16.5%. The assessable profits of corporation not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the year ended 31 March 2022.

Taxation in other jurisdictions are calculated at the rates prevailing in the respective jurisdictions. No provision has been made as the Group had no assessable profit in other jurisdictions for the years ended 31 March 2022 and 2021.

13. INCOME TAX EXPENSE (CONTINUED)

Continuing operations (continued)

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

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Loss before tax	**(3,945)**	(7,819)
Tax expenses at the Hong Kong Profits Tax rate of 16.5%	**(651)**	(1,290)
Tax effect of:		
Tax relief of 8.25% on first HK$2 million assessable profit	**(7)**	(33)
Tax effect of income not taxable for tax purposes	**(103)**	(254)
Tax effect of expenses not deductible for tax purposes	**202**	140
Tax effect of taxable temporary difference not recognised	**–**	113
Tax effect of tax losses not recognised	**1,535**	1,358
Utilisation of tax losses previously not recognised	**(242)**	–
Under provision in respect of prior years	**78**	–
Effect of different tax rates of subsidiaries	**215**	–
One off reduction of Hong Kong Profits Tax by Inland Revenue Department	**–**	(10)
Tax expenses for the year	**1,027**	24

14. DISCONTINUED OPERATIONS

On 17 February 2020, the wholly-owned subsidiary of the Company, Chanceton Alliance Investments Holdings Limited (the "Issuer") entered into a subscription agreement (the "Subscription Agreement") with King Allied Holding Limited (the "Subscriber") pursuant to which the Subscriber conditionally agreed to subscribe and the Issuer conditionally agreed to issue 11,395 new ordinary shares of the Issuer with an initially total subscription amount of HK$2,500,000 (subject to adjustment with reference to the unaudited consolidated net asset value of the Issuer at the date of completion) (the "Subscription"). The subscription price at completion date was HK$1,950,040. The Issuer, via its wholly-owned subsidiary, Chanceton Capital Partners Limited ("Chanceton Capital") (a licensed corporation in Hong Kong to conduct Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance) is principally engage in the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong.

14. DISCONTINUED OPERATIONS (CONTINUED)

The subscription was completed on 17 September 2020 and the Company's interest in the Issuer and its subsidiary was diluted to approximately 17.99% since then.

The loss for the period/year from discontinued operations is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income and related notes have been represented as if corporate finance advisory business had been discontinued at the beginning of the year.

	2022	2021
	HK$'000	*HK$'000*
Loss from corporate finance advisory business for the period/year	–	(1,649)
Gain on disposal of subsidiaries *(Note 33)*	–	1,340
Loss from the period/year from discontinued operation	–	(309)

Analysis of the results of the discontinued operations are set at below:

	1 April 2021 to 31 March 2022	1 April 2020 to 17 September 2020
	HK$'000	*HK$'000*
Revenue	–	991
Other losses	–	(42)
Net allowance for expected credit losses on trade and other receivables *(Note 5(b))*	–	(343)
Administrative and operating expenses	–	(2,249)
Finance cost	–	(6)
Loss before taxation from discontinued operations	–	(1,649)
Income tax expense	–	–
Loss for the period/year from discontinued operations	–	(1,649)
Loss per share		
Basic and diluted (HK cents)	–	(0.01)

14. DISCONTINUED OPERATIONS (CONTINUED)

Loss for the year from discontinued operation has been arrived at after charging/(crediting):

	2022	2021
	HK$'000	*HK$'000*
Discontinued operation		
Employee benefit expenses		
– Wages, salaries, allowance and bonus	**–**	888
– Contribution to retirement benefit schemes	**–**	40
Depreciation on property, plant and equipment *(Note 17)*	**–**	4
Depreciation on right-of-use assets *(Note 18)*	**–**	309
Exchange gain, net	**–**	–
Unrealised loss on listed securities	**–**	42
Realised loss on listed securities	**–**	–

15. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend in respect of the year ended 31 March 2022 (2021: Nil).

16. LOSS PER SHARE

Continuing and discontinued operations

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

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share	**(4,972)**	(8,152)

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**2,519,754**	2,472,959

16. LOSS PER SHARE (CONTINUED)

Continuing and discontinued operations (continued)

For the years ended 31 March 2022 and 2021, the Company's outstanding share options were not included in the calculation of diluted loss per share because the effect of the Company's outstanding share options were not dilutive and therefore the diluted loss per share are the same as the basic loss per share.

Continuing operations

The calculation of basic and diluted earnings per share from continuing operations attributable to owners of the Company are based on the following data:

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share	**(4,972)**	(7,843)

The denominators used were the same as those set out above for the continued and discontinued operation.

Discontinued operation

The calculation of basic and diluted earnings per share from discontinued operation attributable to owners of the Company are based on the following data:

	Year ended 31 March	
	2022	2021
	HK$'000	*HK$'000*
Loss attributable to the owners of the Company for the purpose of basic and diluted loss per share	**–**	(309)

The denominators used were the same as those set out above for the continued and discontinued operation.

17. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicle	Leasehold improvement	Furniture, fixtures and equipment	Machinery	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost					
At 1 April 2020	1,428	185	360	1,512	3,485
Additions	–	1,514	203	–	1,717
Disposal of subsidiaries *(Note 33)*	(1,428)	–	(243)	–	(1,671)
At 31 March 2021 and 1 April 2021	**–**	**1,699**	**320**	**1,512**	**3,531**
Additions	**–**	**–**	**–**	**–**	**–**
At 31 March 2022	**–**	**1,699**	**320**	**1,512**	**3,531**
Accumulated depreciation and impairment					
At 1 April 2020	1,428	185	262	126	2,001
Charge for the year	–	572	52	378	1,002
Disposal of subsidiaries *(Note 33)*	(1,428)	–	(236)	–	(1,664)
Impairment	–	395	101	423	919
At 31 March 2021 and 1 April 2021	**–**	**1,152**	**179**	**927**	**2,258**
Charge for the year	**–**	**386**	**53**	**272**	**711**
Impairment	**–**	**9**	**66**	**313**	**388**
At 31 March 2022	**–**	**1,547**	**298**	**1,512**	**3,357**
Carrying amounts					
At 31 March 2022	**–**	**152**	**22**	**–**	**174**
At 31 March 2021	**–**	**547**	**141**	**585**	**1,273**

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

As at 31 March 2022 and 31 March 2021, the Group's management considered the adverse business environment and conducted the impairment assessment on the recoverable amounts of the property, plant and equipment and right-of-use assets with finite useful life with carrying amounts of HK$174,000 and HK$543,000 respectively. (2021: HK$1,273,000 and HK$1,991,000). The recoverable amount has been determined based on a value-in-use calculation. That calculation used a cash flow projections based on financial budgets approved by the management of the respective subsidiary covering the next 5 years with a pre-tax discount rate of 17% (2021: next 5 years with a pre-tax discount rate of 16%). The annual growth rate used is from 2.1% to 2.5% (2021: 3%), which is based on the industry trends and market conditions. The cash flows beyond the 5-year period are extrapolated using a steady growth rate of 2.5%.

17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

As at 31 March 2021, based on the result of the assessment, management of the Group determined that the recoverable amount of the cash generating units of the Group's IP automation and entertainment business segment is lower than the carrying amount. The impairment amount has been allocated to each category of property, plant and equipment and right-of-use assets with finite useful lives such that the carrying amount of each category of asset is not reduced below the highest of its value-in-use and zero. Based on the value-in-use calculation and the allocation, an impairment of HK$919,000, and HK$1,438,000, respectively, has been recognised against the carrying amounts of property, plant and equipment and right-of-use assets with finite useful lives.

As at 31 March 2022, based on the result of the assessment, management of the Group determined that the recoverable amount of the CGU is lower than the carrying amount and recognised impairment loss of HK$388,000 and HK$289,000 on property, plant and equipment and right-of-use assets allocated to IP automation and entertainment business segment, respectively.

18. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

Right-of-use assets

	Leased properties *HK$'000*
At 31 March 2022	
Carrying amount	**543**
At 31 March 2021	
Carrying amount	1,991
For the year ended 31 March 2022	
Depreciation charge	**1,159**
For the year ended 31 March 2021	
Depreciation charge	2,774

	2022 *HK$'000*	2021 *HK$'000*
Addition to right-of-use assets	–	1,870
Lease termination	–	(412)
Disposal of subsidiaries *(Note 33)*	–	(79)
Impairment *(Note 17)*	**(289)**	(1,438)

The Group does not have the opinion to purchase the right-of-use assets for a nominal amount at the end of the lease terms.

Details of impairment of right-of-use assets are set out in Note 17.

18. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

Lease liabilities

	Leased properties *HK$'000*
At 1 April 2020	5,376
New leases	1,870
Interest on lease liabilities	335
Lease payments	(2,205)
COVID-19-related rent concessions	(680)
Lease termination	(583)
Disposal of subsidiaries *(Note 33)*	(83)
At 31 March 2021 and 1 April 2021	**4,030**
Interest on lease liabilities	**221**
Lease payments	**(2,242)**
COVID-19-related rent concessions	**(286)**
At 31 March 2022	**1,723**

The amounts recognised in the consolidated statement of profit or loss and other comprehensive income in relation to lease are as follows:

	2022 ***HK$'000***	2021 *HK$'000*
Interest on lease liabilities	**221**	335
Depreciation of right-of-use assets	**1,159**	2,774
Expenses relating to short-term leases	**162**	220
Total amount recognised in the consolidated statement of profit or loss and other comprehensive income	**1,542**	3,329

18. RIGHT-OF-USE ASSETS/LEASE LIABILITIES (CONTINUED)

Lease liabilities (continued)

The total cash outflow for leases is disclosed in Note 36 to the consolidated finacial statements.

	2022	2021
	HK$'000	*HK$'000*
Analysed into:		
– Current	**1,345**	2,307
– Non-current	**378**	1,723
	1,723	4,030
Minimum lease payments due:		
– Within one year	**1,412**	2,528
– More than one year but not later than two years	**385**	1,412
– More than two years but not later than five years	**–**	385
	1,797	4,325
Less: Future finance charges	**(74)**	(295)
Present value of lease liabilities	**1,723**	4,030

19. DEFERRED TAX

The following are the deferred tax assets recognised by the Group.

	ECL provision
	HK$'000
At 1 April 2021 and At 31 March 2021	–
Credit to profit or loss for the year	145
At 31 March 2022	145

At the end of the reporting period the Group has unused tax losses of HK$62,952,000 (2021: approximately HK$55,132,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. All tax losses may be carried forward indefinitely.

20. INVENTORIES

	2022	2021
	HK$'000	*HK$'000*
Finished goods – prize and merchandise	**281**	462

21. TRADE RECEIVABLES

	2022	2021
	HK$'000	*HK$'000*
Trade receivables *(Note)*	**15,077**	692
Less: Allowance for expected credit losses on trade receivables	**(916)**	(35)
	14,161	657

Note: As at 31 March 2022, trade receivables include the amount due from directors approximately HK$101,000 (2021:HK$113,000) and it were trade in nature and included in revenue was approximately HK$12,000 (2021:HK$152,000) arising from transaction with directors.

An ageing analysis of trade receivables as at the end of the reporting period, based on the invoice date is as follows:

	2022	2021
	HK$'000	*HK$'000*
Current to 30 days	**12,893**	82
31 – 60 days	**3**	16
61 – 90 days	**12**	41
Over 91 days	**1,253**	518
	14,161	657

The Group's trading term with its clients is, in general, due upon the issuance of invoices. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

Loss allowance for expected credit losses on trade receivables of approximately HK$916,000 have been recognised to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2022 (2021: approximately HK$35,000).

Details of impairment assessment of trade receivables for the years ended 31 March 2022 and 2021 are set out in Note 5(b) to the consolidated financial statements.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022	2021
	HK$'000	*HK$'000*
Unlisted securities		
– Investment in an unlisted equity	**275**	906

Note:

The investment in an unlisted equity is measured at fair value. It is 17.99% equity interest in Chanceton Alliance Investments Holdings Limited. The changes in fair value based on the market approach of HK$631,000 was debit to other comprehensive expense as fair value changes on financial assets at fair value through other comprehensive income during the year ended 31 March 2022. Details of fair value estimation for the year ended 31 March 2022 and 31 March 2021 are set out in Note 5(c).

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2022	2021
	HK$'000	*HK$'000*
Deposits for property, plant and equipment	**718**	–
Prepayments	**4,993**	89
Deposits	**1,734**	1,309
Other receivables	**458**	340
	7,903	1,738
Less: Allowance for expected credit losses on other receivables	**(344)**	(303)
	7,559	1,435
Analysis:		
Current potion	**6,841**	1,435
Non-current potion	**718**	–
	7,559	1,435

Net allowances of loss allowance for expected credit losses on deposits and other receivables of approximately HK$41,000 have been recognised to the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2022 (2021: Net reversal of loss allowance for expected credit losses approximately HK$3,130,000).

Details of impairment assessment of deposits and other receivables for the years ended 31 March 2022 and 2021 are set out in Note 5(b) to the consolidated financial statements.

24. CASH AND CASH EQUIVALENTS

	2022	2021
	HK$'000	*HK$'000*
Cash at banks and on hand	**28,431**	26,539

The bank balances are deposited with creditworthy banks with no recent history of default.

25. TRADE PAYABLES

An ageing analysis of trade payables, based on the invoices date, is as follows:

	2022	2021
	HK$'000	*HK$'000*
Current to 30 days	**11,065**	54

The credit periods granted by suppliers normally range from 30 to 60 days.

26. OTHER PAYABLES AND ACCRUALS

	2022	2021
	HK$'000	*HK$'000*
Other payables	**1,111**	1,184
Accruals	**1,552**	1,898
	2,663	3,082

27. CONTRACT LIABILITIES

	2022	2021
	HK$'000	*HK$'000*
Unutilised game token, gift card and customer loyalty program point *(Note)*	**483**	288
Receipts in advance	**3,298**	–
	3,781	288

As at 1 April 2020, contract liabilities amounted to HK$137,000.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in prior periods.

	Unutilised game token, gift card and customer loyalty program point	**Receipts in advance**
	HK$'000	*HK$'000*
For the year ended 31 March 2022		
Revenue recognised that was included in the contract liability balance at the beginning of the year	288	–
Revenue recognised from performance obligations satisfied in prior periods	–	–
For the year ended 31 March 2021		
Revenue recognised that was included in the contract liability balance at the beginning of the year	137	–
Revenue recognised from performance obligations satisfied in prior periods	–	–

Note: Based on the recent trends by customers that the unutilised game token, gift card and customer loyalty program points will be normally redeemed within one year from purchase.

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

28. LOANS FROM SHAREHOLDERS

The loans from shareholders were unsecured, interest-free and repayable on demand.

29. SHARE CAPITAL

	Number of shares		**Share Capital**	
	2022	2021	**2022**	2021
	'000	*'000*	***HK$'000***	*HK$'000*
Ordinary shares of HK$0.01 each				
Authorised:				
Balance at the beginning and at the end of the year	**20,000,000,000**	20,000,000,000	**200,000,000**	200,000,000
Issued and fully paid:				
Balance at the beginning year	**2,472,959**	2,472,959	**24,730**	24,730
Issuance of shares *(Note)*	**140,000**	–	**1,400**	–
As the end of the year	**2,612,959**	2,472,959	**26,130**	24,730

Note:

On 30 November 2021, 140,000,000 ordinary shares of HK$0.01 each of the Company were issued at a price of HK$0.072. The proceeds of HK$1,400,000 representing the par value of the shares of the Company, were credited to the Company's share capital. The remaining proceeds of HK$8,680,000, before issuing expenses, were credited to share premium account.

30. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2022 *HK$'000*	2021 *HK$'000*
ASSETS		
Non-current assets		
Investment in subsidiaries	**22**	22
Property, plant and equipment	**174**	356
Right-of-use assets	**543**	905
Financial assets at fair value through other comprehensive income	**275**	906
	1,014	2,189
Current assets		
Prepayments, deposits and other receivables	**391**	218
Amounts due from subsidiaries	**8,401**	3,651
Cash and cash equivalents	**12,735**	15,108
	21,527	18,977
Current liabilities		
Other payables and accruals	**970**	1,239
Lease liabilities	**677**	591
Loans from shareholders	**582**	582
Amounts due to subsidiaries	**1,817**	1,817
	4,046	4,229
Net current assets	**17,481**	14,748
Total assets less current liabilities	**18,495**	16,937
Non-current liabilities		
Lease liabilities	**378**	1,055
Net asset	**18,117**	15,882
EQUITY		
Share capital *(Note 29)*	**26,130**	24,730
Reserves *(Note 31)*	**(8,013)**	(8,848)
Total equity	**18,117**	15,882

Approved and authorised for the issue by the board of directors on 30 June 2022 and signed on its behalf by:

Ms. Man Wing Yee Ginny *Director*	**Mr. Lau Ling Tak** *Director*

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

31. RESERVES OF THE COMPANY

	Share premium	Financial assets at fair value through other comprehensive income reserve	Other reserve	Share option reserve	Accumulated losses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2020	288,837	–	20	1,954	(327,824)	(37,013)
Profit and total comprehensive income for the year	–	33	–	–	28,132	28,165
Release of other reserve from disposal of subsidiaries	–	–	(20)	–	20	–
At 31 March 2021 and 1 April 2021	**288,837**	**33**	**–**	**1,954**	**(299,672)**	**(8,848)**
Loss and total comprehensive expensesfor the year	**–**	**(631)**	**–**	**–**	**(7,214)**	**(7,845)**
Issuance of shares	**8,680**	**–**	**–**	**–**	**–**	**8,680**
At 31 March 2022	**297,517**	**(598)**	**–**	**1,954**	**(306,886)**	**(8,013)**

Note:

Distributable Reserves

As at 31 March 2022, the Company's reserves available for cash distribution and/or distribution in specie, calculated in accordance with the Companies Law (2003 Revision) of the Cayman Islands to members amounted to Nil (2021: Nil) which comprised share premium of approximately HK$297,517,000 (2021: approximately HK$288,837,000) and deficit of accumulated losses of approximately HK$306,886,000 (2021: deficit of approximately HK$299,672,000).

32. PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries of the Company as at 31 March 2022 were as follows:

Name of company	Place of incorporation	Nominal value of issued ordinary share capital	Percentage of equity and voting rights attributable to the Company		Principal activities
			Directly	Indirectly	
Evershining International Logistics Limited	Hong Kong	HK$10,000	–	100	Provision of dry bulk shipping services
Evershining International Shipping Limited	Hong Kong	HK$10,000	–	100	Provision of dry bulk shipping services
Wider Yield Limited	Hong Kong	HK$10,000	100	–	IP automation and entertainment business
Greater Yield Limited	Hong Kong	HK$10,000	100	–	Sales of merchandise

The above table lists the subsidiaries of the Group, which, in the opinion of the directors, principally affected the results or assets of the Group. The directors are of the opinion that a complete list of the particulars of all subsidiaries would be of excessive length.

33. DISPOSAL OF SUBSIDIARIES

On 17 February 2020, the wholly-owned subsidiary of the Company, Chanceton Alliance Investments Holdings Limited (the "Issuer") entered into a Subscription Agreement with a Subscriber pursuant to which the Subscriber conditionally agreed to subscribe and the Issuer conditionally agreed to issue 11,395 new ordinary shares of the Issuer with an initially total subscription amount of HK$2,500,000 (subject to adjustment with reference to the unaudited consolidated net asset value of the Issuer at the date of completion) (the "Subscription"). The subscription price at completion date was HK$1,950,040. The Issuer, via its wholly-owned subsidiary, Chanceton Capital (a is licensed corporation in Hong Kong to conduct Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance) is principally engage in the provision of corporate finance advisory services mainly to listed and non-listed companies in Hong Kong. The subscription was completed on 17 September 2020 and the Company's interest retained in the Issuer and its subsidiary was diluted to approximately 17.99% since then.

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

33. DISPOSAL OF SUBSIDIARIES (CONTINUED)

Details of the assets and liabilities disposed of, and the calculation of the gain on disposal, are disclosed below:

(i) Consideration received

	HK$'000
Consideration received by the Company in cash and cash equivalents	–

(ii) Analysis of assets and liabilities over which control was lost

	HK$'000
Property, plant and equipment *(Note 17)*	7
Right-of-use assets *(Note 18)*	79
Financial assets at fair value through profit or loss	115
Trade receivables	616
Prepayments	104
Cash and cash equivalents	565
Other payables and accrual	(991)
Lease liabilities *(Note 18)*	(83)
Loans from shareholders	(879)
Net liabilities disposed	(467)

(iii) Gain on disposal of the Company

	HK$'000
Fair value of interest retained	873
Net liabilities of subsidiaries recognised prior to disposal	467
Gain on disposal of subsidiaries *(Note 14)*	1,340

(iv) Net cash inflow from disposal of subsidiaries

	HK$'000
Total consideration received	–
Less: Cash and cash equivalent balances disposal of	(565)
Net cash outflow from disposal of subsidiaries	(565)

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

34. SHARE OPTION SCHEME

The Company conditionally operates a share option scheme ("Share Option Scheme") for the purpose of attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group. The Share Option Scheme was adopted on 21 September 2011 and, unless otherwise terminated by ordinary resolution in general meeting or the board of directors, will remain in full force for ten years from that date.

The eligible persons of the Share Option Scheme include directors, employee, consultants or advisers, provider of goods or services, customers, holder of securities issued by the member of the Group and any other person has contributed to the Group (the "Eligible Persons").

The subscription price of the share options shall be a price determined by the board of directors and shall be at least the highest of (i) the closing price per share as stated in the Stock Exchange's daily quotation sheet on the offer date; (ii) the average of the closing prices per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; or (iii) the nominal value of the share.

The Eligible Person shall accept the offer or be deemed to have declined it at the date not later than ten business bays after the offer date, provided that no such offer shall be open for acceptance after the tenth anniversary of the date of adoption of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions of the Share Option Scheme. The amount payable by the grantee to the Company on acceptance of the offer shall be a nominal amount to be determined by the board of directors.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the total number of shares in issue as at the date of approval of the Share Option Scheme.

On 25 September 2013, the shareholders of the Company had approved the refreshment of the 10% scheme mandate limit on the grant of options under the Share Option Scheme. Options previously granted will not be counted for the purpose of calculating the scheme mandate limit as refreshed. Based on 2,220,000,000 shares of the Company in issue as at the date of refreshment, the directors were authorised to issue options to subscribe for a total of 222,000,000 shares of the Company, representing 10% of the total number of shares of the Company in issue as at the date of refreshment.

The total number of shares issued and to be issued upon exercise of the options granted to each Eligible Person (including both exercised and outstanding options under the Share Option Scheme) in any twelve-month period must not exceed 1% of the issued share capital of the Company. Any grant of share options in excess of the above limit is subject to the approval from the shareholders in general meeting.

34. SHARE OPTION SCHEME (CONTINUED)

The following table discloses movements of the Company's share options granted pursuant to the Share Option Scheme:

Year ended 31 March 2022

Participant	Options type	Date of grant	Exercise price per share *HK$*	Fair value at grant date per share *HK$*	Exercise period	As at 1 April 2021 *'000*	Granted during the year *'000*	Exercised during the year *'000*	Cancelled during the year *'000*	Lapsed during the year *'000*	As at 31 March 2022 *'000*
Employees other than directors	2014	17/9/2014	0.68	0.13027	17/9/2014–16/9/2024	**12,500**	**–**	**–**	**–**	**–**	**12,500**
Consultant	2014	17/9/2014	0.68	0.13027	17/9/2014–16/9/2024	**2,500**	**–**	**–**	**–**	**–**	**2,500**
						15,000	**–**	**–**	**–**	**–**	**15,000**

Year ended 31 March 2021

Participant	Options type	Date of grant	Exercise price per share *HK$*	Fair value at grant date per share *HK$*	Exercise period	As at 1 April 2020 *'000*	Granted during the year *'000*	Exercised during the year *'000*	Cancelled during the year *'000*	Lapsed during the year *'000*	As at 31 March 2021 *'000*
Employees other than directors	2014	17/9/2014	0.68	0.13027	17/9/2014–16/9/2024	12,500	–	–	–	–	12.500
Consultant	2014	17/9/2014	0.68	0.13027	17/9/2014–16/9/2024	2,500	–	–	–	–	2,500
						15,000	–	–	–	–	15,000

For equity-settled share-based payments with parties other than employees, the Group has the presumption that the fair values of the services received cannot be estimated reliably. As in the opinion of the Directors, the Group measured the services received from these parties and its fair value is approximate to the fair values of the share options granted using the black-scholes option pricing model, at the date these parties rendered related services to the Group.

No share option had been exercised during the years ended 31 March 2022 and 2021.

35. MATERIAL RELATED PARTIES TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, during the year the Group had the following transactions with related parties:

Key management personnel remuneration

Remuneration for key personnel management, including emoluments paid to the Company's directors and certain highest paid employees of the Group, as disclosed in Note 11 to the consolidated financial statements, are as follows:

	2022	2021
	HK$'000	*HK$'000*
Short-term employees benefits	**1,538**	1,567
Post-employment benefits	**36**	24
Total	**1,574**	1,591

Notes to Consolidated Financial Statements

For the year ended 31 March 2022

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Loan from shareholders	Lease liabilities	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2020	13,479	5,376	18,855
Changes from financing cash flows:			
Repayment to shareholders	(11,582)	–	(11,582)
Repayment of lease liabilities	–	(2,205)	(2,205)
Total changes in financing cash flows	(11,582)	(2,205)	(13,787)
Non-cash changes:			
Finance cost	–	335	335
Additions of lease liabilities *(Note 18)*	–	1,870	1,870
COVID-19-related rent concessions	–	(680)	(680)
Lease termination	–	(583)	(583)
Disposal of subsidiaries	(879)	(83)	(962)
Total non-cash changes	(879)	859	(20)
At 31 March 2021 and at 1 April 2021	1,018	4,030	5,048
Changes from financing cash flows:			
Advance from shareholders	921	–	921
Repayment of lease liabilities	–	(2,242)	(2,242)
Total changes in financing cash flows	921	(2,242)	(1,321)
Non-cash changes:			
Finance cost	–	221	221
COVID-19-related rent concessions	–	(286)	(286)
Total non-cash changes	–	(65)	(65)
At 31 March 2022	1,939	1,723	3,662

37. CAPITAL COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	2022	2021
	HK$'000	*HK$'000*
Property, plant and equipment	**493**	–
	493	–

38. EVENTS AFTER THE REPORTING PERIOD

Subsequently to 31 March 2022, the Company received a letter from the Stock Exchange which is in the view that the Company failed to maintain a sufficient level of operations and assets as required under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of its shares, decided to up hold the decision of the Listing Division that the Company had failed to comply with Rule 17.26 of the GEM Listing Rules, and to suspend trading in the Company's shares under Rule 9.04(3) of the GEM Listing Rules. As a result, trading in the Shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 17 May 2022. On 8 June 2022, the Company had been notified by the Stock Exchange the guidance for resumption of trading in Shares of the Company.

Details of the suspension of trading are set out in the announcement of the Company dated 21 January 2022, 28 January 2022, 22 February 2022, 4 May 2022, 16 May 2022 and 8 June 2022.

39. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 30 June 2022.

Financial Summary

For the year ended 31 March 2022

	For the year ended 31 March				
	2022	2021	2020	2019	2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Results					
Revenue	**47,939**	7,175	49,502	95,241	124,389
Loss for the year attributable to the owners of the Company	**(4,972)**	(8,152)	(39,512)	(18,965)	(18,694)
Dividends	**–**	–	–	–	–

	As at 31 March				
	2022	2021	2020	2019	2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets and liabilities					
Total assets	**51,569**	33,263	53,631	82,566	96,818
Total liabilities	**(30,990)**	(17,161)	(29,410)	(18,833)	(13,224)
Total equity	**20,579**	16,102	24,221	63,733	83,594

Note:

The summary above does not form part of the audited consolidated financial statements.