Novacon Technology Group Limited
連成科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8635)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

The board (the "**Board**") of directors (the "**Director(s)**") of Novacon Technology Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce the audited consolidated results of the Group for the year ended 31 March 2024 (the "**Annual Results**"). This announcement, containing the full text of annual report of the Company for the year ended 31 March 2024 (the "**2024 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 information to accompany preliminary announcement of the Annual Results. The 2024 Annual Report shall be available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.novacontechgroup.com and be despatched to the shareholders of the Company upon request, in due course.

By order of the Board
Novacon Technology Group Limited
Wei Ming
Chairman and non-executive Director

Hong Kong, 20 June 2024

As at the date of this announcement, the Board comprises Mr. Chung Chau Kan as an executive Director and the chief executive officer and Mr. Wong Wing Hoi as an executive Director; Mr. Wei Ming as the chairman of the Board and a non-executive Director; and Mr. Moo Kai Pong, Mr. Lo Chi Wang and Mr. Wu Kin San Alfred as the independent non-executive Directors.

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

This announcement will remain on the "Latest Listed Company Information" page of the Stock Exchange's website at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and will also be published on the Company's website at www.novacontechgroup.com.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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

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

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chung Chau Kan *(Chief Executive Officer)*
Mr. Wong Wing Hoi

Non-executive Director

Mr. Wei Ming *(Chairman)*

Independent Non-executive Directors

Mr. Moo Kai Pong
Mr. Lo Chi Wang
Mr. Wu Kin San Alfred

COMPANY SECRETARY

Ms. Lee Wing Yin (CPA)

COMPLIANCE OFFICER

Mr. CHUNG Chau Kan

AUTHORISED REPRESENTATIVES

Mr. Chung Chau Kan
Ms. Lee Wing Yin

AUDIT COMMITTEE

Mr. Lo Chi Wang *(Chairman)*
Mr. Moo Kai Pong
Mr. Wu Kin San Alfred

REMUNERATION COMMITTEE

Mr. Moo Kai Pong *(Chairman)*
Mr. Chung Chau Kan
Mr. Wu Kin San Alfred

NOMINATION COMMITTEE

Mr. Wei Ming *(Chairman)*
Mr. Moo Kai Pong
Mr. Wu Kin San Alfred

AUDITORS

Baker Tilly Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
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PRINCIPAL BANKERS

China Construction Bank (Asia) Corporation Limited
28/F, CCB Tower, 3 Connaught Road Central,
Central, Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
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REGISTERED OFFICE

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Cayman Islands

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Kowloon, Hong Kong

HONG KONG LEGAL ADVISERS

Howse Williams
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Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road, Hong Kong

STOCK CODE

8635

WEBSITE OF THE COMPANY

www.novacontechgroup.com

Chairman's Statement

Dear Shareholders,

On behalf of the Board, I am delighted to present our audited consolidated financial results of the Group for the year ended 31 March 2024, providing insights into the exciting changes and development that lie ahead of our Group.

2023 is a critical year of change for the Group, marked by strategic transformations and shifts. Having suffered from current economic situation and difficult time, during the year ended 31 March 2024, the Group's total revenue was approximately HK$22.8 million, represent a significant drop of approximately 57% as compared to the year ended 31 March 2023 and a shift from net profit of approximately HK$5.7 million to net loss of approximately HK$23.0 million. For details, please refer to section headed "Financial Review" under the section headed "Management Discussion and Analysis".

Global-wide inflation, the years-long military conflict between Russia and Ukraine, and rising interest rates in the United States have triggered a continuous tightening of the international monetary and financial environment, which have exacerbated the instability in world's economic development. This results in the Group's business environment remain challenging, particularly as our transactions are mainly denominated in US$, the relatively high settlement burden on customers has lead our management to begin a comprehensive review of our business options, seeking avenues for improvement, optimization, and growth. In addition to being rooted in our core business, we focused on exploring new business opportunities and diversifying source of revenue over the past year. In the year ended 31 March 2024, the Group acquired GMO-Z.com Bullion HK Limited (now currently known as Max Online Limited, "**Max Online**"), to provide clients with the quality gold and silver trading services. Besides, Max VF Limited is established to provide over-the-counter trading and exchange services and Max Online International Limited is established to provide Forex, Bullion and Contract-for-difference trading business.

In view of the challenges faced by the Group, the Group will endeavor to mitigate this risk by reorganizing company resources, apart from continuing to focus on finding potential customers and terminating customers who have higher risk of receivable collectability, we aimed at optimize our Group's product to maintain our competitiveness. Besides, we also explore the business on quality gold and silver trading services actively through the acquisition of Max Online to increase the Group's revenue by adding digital marketing, improving CRM features of GES TX to have more seamless flow on sales/customers acquisition.

Looking forward, in addition to providing stable and reliable financial trading solutions, the Group will enhance existing trading system with automatic dealing or risk management features. Moreover, the Group is dedicated to expanding its quality gold and silver trading services business and over-the-counter trading and exchange services. We believe the Group is well-positioned to maintain our competitiveness in capturing business opportunities in the market.

On behalf of the Board, I would like to extend my sincere appreciation to our business partners, customers and the Shareholders. I would also like to express my gratitude to our management team and staff for their devotion and contribution to the Group.

Wei Ming
Chairman and Non-executive Director

Hong Kong, 20 June 2024

Management Discussion and Analysis

BUSINESS REVIEW

We are a Hong Kong-based financial trading solution provider principally engaged in the development and provision of financial trading solutions. We mainly provide comprehensive and integrated financial trading solutions that enable trading of OTC-traded financial instruments, stock exchange-traded financial instruments and fund management to brokerage firms and wealth management companies to satisfy their various business needs.

Our financial trading solutions are mostly developed by our in-house development team and are typically off-the-shelf packaged solutions. Certain of our financial trading solutions are highly configurable to enhance flexibility to suit the needs of different customers and facilitate our customers to execute their business functions. Our Group's core financial trading solutions are (i) AUTON, a trading terminal; (ii) GES TX, a trading system for trading OTC-traded financial instruments; (iii) GES EX and Xentrix, trading and settlement systems for stock exchange-traded financial instruments; and (iv) GES IX, a fund management system.

Our objective is to expand our business, further strengthen our position as a financial trading solution provider, maintain our competitiveness and expand our market share by pursuing the following strategies: (i) continue to commit in research and development ("**R&D**") of our financial trading solutions and (ii) retain, attract and motivate high calibre and experienced staff. For details, please refer to the paragraph headed "Use of Proceeds from the Listing" under this section.

In line with the fast evolving business environment and the continuous innovation of the financial market, the Group responded swiftly to the needs of the financial institutions by broadening our IT offerings to our clients. During the year ended 31 March 2024, the Group has completed the risk management and Algo trading function enhancement, which enables the Group to attract different customers, including not only financial trading but also fintech customers.

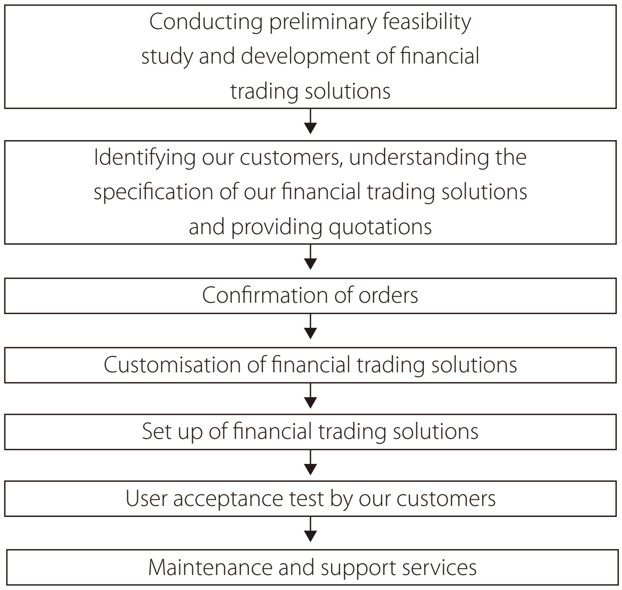
Apart from allocating part of the resources to develop a non-financial IT solution (a resource planning and management software), the Group explored new business opportunities by acquiring Max Online to provide clients with the quality gold and silver trading services. These development would allow the Group to keep up with rapid changes in both the financial and non-financial markets and meet the customers' demand to ensure our business is sustainable in the long run.

Our services, operation flow and revenue stream

We provide installation services to our customers to ensure our financial trading solutions run smoothly on their systems and to facilitate our customers' understanding of the operations of our financial trading solutions. Depending on our customers' needs, our Group also provides customised financial trading solutions with modified or additional functions to meet our customers' specific requirements. Upon the completion of the initial set up and customisation services and the passing of the user acceptance test, our Group typically grants our customers a non-exclusive, non-transferable and non-sub-licensable licence to use our financial trading solutions for the business of our customers. The Group then provides maintenance and support services for the financial trading solution as well as system protection and hosting. In addition, according to our customers' needs, we source computer hardware, which are mainly servers and network devices as well as third party software, and re-sell them to our customers to run our financial trading solutions during the initial set up stage and going forward.

Management Discussion and Analysis

The flow chart below illustrates our operation flow:–



In general, our Group generates revenue by providing initial set up and customisation services and licensing and maintenance services. A breakdown of revenue generated from these services is set out in note 5 of the consolidated financial statements.

Besides, for the bullion trading services, we provide a trading platform with advanced charting tools for customers to trade the quality gold and silver.

Our customers

Our customers are mainly financial institutions, including brokerage firms and wealth management companies located in the Asia Pacific region such as Hong Kong, Malaysia, Belize, Australia and Japan. We maintain good relationships with our valued customers. During the year ended 31 March 2024, we have not experienced any customer complaints. We will continue to expand our customer base and foster our reputation and image in the financial technology industry. The table below sets out the geographical breakdown of our revenue during the years ended 31 March 2023 and 2024.

	Year ended 31 March			
	2024		2023	
	HK$'000	**%**	HK$'000	%
Hong Kong	**19,647**	**86**	26,463	50
Indonesia	**–**	**–**	8,617	16
Malaysia	**3**	*****	7,720	15
Belize	**588**	**3**	2,540	5
Cyprus	**–**	**–**	4,319	8
Australia	**627**	**3**	1,881	4
Japan	**1,486**	**7**	–	–
Other countries	**440**	**1**	1,037	2
Total	**22,791**	**100**	52,577	100

* Less than 1%

Management Discussion and Analysis

Our suppliers

The Group maintains long term and stable relationships with major suppliers. All suppliers are carefully evaluated and regularly monitored. Our major suppliers consists of (i) data center service providers; (ii) news feed providers; (iii) financial market information providers; (iv) data line vendors; (v) liquidity provider and (vi) computer network and data service providers.

OUTLOOK

In line with the Group's long term objective to strengthen our position as a financial technology solution provider and to maintain our competitiveness, the Group has reorganized company resources and allocated part of the resources to explore new business opportunities. Apart from enhancing existing trading systems, in the year ended 31 March 2024, the Group acquired Max Online to provide clients with bullion trading services. Besides, Max VF Limited is established to provide over-the-counter trading and exchange services and Max Online International Limited is established to provide Forex, Bullion and Contract-for-difference trading business.

Looking forward, in addition to providing stable and reliable financial trading solutions, the Group will enhance existing trading system with automatic dealing or risk management features. Moreover, the Group is dedicated to expanding its quality gold and silver trading services business and over-the-counter trading and exchange services. We believe the Group is well-positioned to maintain our competitiveness in capturing business opportunities in the market.

FINANCIAL REVIEW

Revenue

The Group derives its revenue primarily from (i) the provision of financial trading solutions and other IT services which can be further classified into licensing and maintenance services and initial set up and customisation services; and (ii) commission income and dealing income from bullion trading services. For the year ended 31 March 2024, the Group recorded revenue of approximately HK$22.8 million, representing a significant drop of approximately 57% as compared with the previous year of approximately HK$52.6 million. The following table sets forth the breakdown of our revenue by source of revenue:

	Year ended 31 March			
	2024		2023	
	HK$'000	**%**	HK$'000	%
Financial trading solutions and other IT services				
Licensing and maintenance services	**11,576**	**51**	41,490	79
Initial set up and customisation services	**8,000**	**35**	11,087	21
Bullion trading services				
Commission income from bullion trading	**844**	**4**	–	–
Dealing income from bullion trading	**2,371**	**10**	–	–
Total	**22,791**	**100**	52,577	100

The decrease was mainly attributable to the significant drop in revenue from licensing and maintenance services and initial set up and customisation services. Revenue from licensing and maintenance services decreased by approximately 72% from approximately HK$41.5 million for the year ended 31 March 2023 to approximately HK$11.6 million for the year ended 31 March 2024, contributed by the decrease in services provided to existing customers, especially the modification and termination of service contracts with several overseas customers, which amounted to approximately HK$29.9 million. In addition, revenue from initial set up and customisation services decreased by approximately 28% from approximately HK$11.1 million for the year ended 31 March 2023 to approximately HK$8.0 million for the year ended 31 March 2024. Initial set up and customisation services is generally provided on an on-demand basis, depending on our customers' business needs.

Management Discussion and Analysis

The above decrease in revenue has been partially offset by the revenue generated from commission income and dealing income from bullion trading services, which are attributable to the newly acquired subsidiary during the year ended 31 March 2024, generating approximatively HK$3.2 million revenue in aggregate for the year ended 31 March 2024.

Other Net Income

The Group's other net income was approximately HK$2.8 million and HK$1.8 million for the years ended 31 March 2024 and 2023 respectively. The increase in other net income by approximately 56% was mainly due to the recognition of gain from change in fair value of finance assets at fair value through profit or loss ("**FVTPL**") of approximately HK$1.2 million (2023: loss of approximately HK$0.7 million). Such net gain has been partially offset by decrease in government grant by approximately HK$1.0 million.

License and Subscription Cost

For the year ended 31 March 2024, the Group's license and subscription cost was approximately HK$1.3 million, representing a decrease of approximately 26% compared to the license and subscription cost of approximately HK$1.8 million for the year ended 31 March 2023. Such decrease was driven by the decrease in revenue from licensing and maintenance services.

Internet Services Cost

For the year ended 31 March 2024, the Group's internet services cost was approximately HK$2.0 million, representing a significant drop of approximately 43% compared to the internet services cost of approximately HK$3.4 million for the year ended 31 March 2023. Such decrease was primarily because of the reduced subscription of services by the Group during the year ended 31 March 2024 as part of its cost control measures.

Intangible Assets

For the years ended 31 March 2024 and 2023, our R&D expenses (which were mostly included in employee benefit expenses) amounted to approximately HK$17.7 million and HK$16.1 million, respectively. Out of the total R&D costs, approximately HK$6.4 million and HK$4.8 million for the years ended 31 March 2024 and 2023, respectively, was capitalised as intangible assets. For the year ended 31 March 2024, the Group recognised impairment loss on intangible assets of approximately HK$0.8 million (2023: Nil).

Employee Benefit Expenses

For the year ended 31 March 2024, the Group's employee benefits expenses were approximately HK$25.9 million, representing an increase of approximately 14% compared to approximately HK$22.8 million for the year ended 31 March 2023. The increase was mainly attributable to the one-off staff bonus of approximately HK$7.5 million distributed in May 2023. The impact of bonus to staff costs was partially offset by the reduction in number of employees by approximately 29% as at 31 March 2024 compared to the number of employees as at 31 March 2023.

Depreciation of Property and Equipment

The Group's depreciation of property and equipment was approximately HK$1.9 million for the year ended 31 March 2024, representing a slight decrease of approximately 5% from approximately HK$2.0 million for the year ended 31 March 2023. Such decrease was primarily due to certain items of property and equipment were fully depreciated during the year ended 31 March 2023 and 2024 and thus less depreciation was recognised for those property and equipment during the year ended 31 March 2024. It has been partially offset by the property and equipment brought from the acquisition of Max Online.

Management Discussion and Analysis

Depreciation of Right-of-use Assets

The Group entered into a lease agreement in May 2022 and recognized a right-of-use asset of approximately HK$0.9 million for such lease agreement. During the year ended 31 March 2024, the Group recognised depreciation of right-of-use asset of approximately HK$0.4 million (2023: HK$0.4 million). The lease agreement was terminated in February 2024.

Amortisation of Intangible Assets

The Group's amortisation of intangible assets was approximately HK$6.3 million for the year ended 31 March 2024, representing a slight increase of approximately 4% from approximately HK$6.0 million for the year ended 31 March 2023. The increase was primarily due to additions of computer software systems mainly contributed from staff costs capitalized during the year ended 31 March 2024.

Reversal of Impairment Losses/(Impairment Losses) on Financial and Contract Assets/Bad Debts Written Off

For the year ended 31 March 2024, net amount of bad debts written off and reversal of impairment losses of financial and contract assets of approximately HK$4.5 million (2023: impairment losses of HK$4.6 million) was recognised. Due to the ongoing impact of the global-wide inflation, military conflict and rise in the US interest rate, most business activities and the payment chains were significantly affected which led to extension of debt collection periods and increase in bad debts written off for trade receivables.

Other Expenses

The Group's other expenses mainly include (i) legal and professional fees, (ii) auditors' remuneration, (iii) advertising expenses and (iv) consultancy fees. The Group's other expenses for the year ended 31 March 2024 were approximately HK$5.8 million, representing a decrease of approximately 9% compared to the other expenses of approximately HK$6.4 million for the year ended 31 March 2023. The decrease was primarily attributable to the decrease in consultancy fees, legal and professional fee and telephone and utilities of approximately HK$1.7 million in total. It has been partial offset by the increase in advertising expenses of approximately HK$0.6 million and incurrence of exchange loss of approximately HK$0.2 million (2023: exchange gain of approximately HK$0.2 million).

Finance Costs

The finance cost represents the finance cost for lease liability, which amounted to approximately HK$8,000 and HK$16,000 for the years ended 31 March 2024 and 2023, respectively.

(Loss)/Profit before Income Tax

The Group recorded loss before income tax of approximately HK$23.3 million for the year ended 31 March 2024 and profit before income tax for the year ended 31 March 2023 amounted to approximately HK$6.9 million. The change from profit before income tax to loss before income tax was mainly contributed by the significant decrease in revenue of approximately HK$29.8 million; the increase in employee benefit expenses of approximately HK$3.1 million and the increase in impairment loss of intangible assets of approximately HK$0.8 million. It was partially offset by increase in other net income by approximately HK$1.0 million and decrease in license and subscription cost, internet service cost and other expenses by approximately HK$2.5 million in total.

Income Tax Credit/(Expense)

The Group's income tax credit for the year ended 31 March 2024 was approximately HK$0.3 million, and income tax expenses for the year ended 31 March 2023 was approximately HK$1.2 million. Such change was mainly due to the change from profit before income tax to loss before income tax as mentioned above. The effective income tax rates of the Group, which equal to the income tax expense divided by profit before tax, were approximately 1.3% for the year ended 31 March 2024 (2023: 17.6%).

(Loss)/Profit for the Year Attributable to Owners of the Company

Loss attributable to owners of the Company for the year ended 31 March 2024 amounted to approximately HK$23.0 million, as compared to profit of approximately HK$5.7 million for the year ended 31 March 2023. Such change from net profit to net loss was due to the above-mentioned reasons under "(Loss)/Profit before Income Tax" and partially offset by the effect from income tax credit of approximately HK$0.3 million.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

The Group recorded net current assets of approximately HK$46.7 million as at 31 March 2024 (2023: approximately HK$70.3 million).

As at 31 March 2024, the Group's current assets amounted to approximately HK$55.0 million (2023: approximately HK$77.5 million) of which approximately HK$3.3 million (2023: approximately HK$9.1 million) was trade receivables, deposits, prepayments and other receivable; approximately HK$1.5 million (2023: approximately HK$5.7 million) was contract assets; approximately HK$3.0 million (2023: Nil) was derivative financial instruments; approximately HK$1.9 million (2023: Nil) was balance due from agents; approximately HK$44.3 million (2023: approximately HK$61.4 million) was bank and cash balances, approximately HK$1.0 million (2023: HK$1.2 million) was income tax recoverable and approximately HK$0.2 million (2023:Nil) was cryptocurrencies.

Given that there was no interest-bearing borrowing as at 31 March 2024 and 31 March 2023, the gearing ratio of the Group, which was defined as total debt divided by total equity, were not applicable for analysis as at 31 March 2024 and 31 March 2023. The net debt to total capital of the Group, which was defined as total debt net of cash and cash equivalents divided by total capital, was at net cash position as at 31 March 2024 (2023: net cash position).

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operations are subject to certain risks and the major ones that may have a material and adverse effect on the Group's business, financial conditions and results of operations include: R&D risk, retention of customers and staff and concentration of customers and suppliers. In addition, the Group's activities are exposed to a variety of financial risks including, exchange rate risk, credit risk, liquidity risk and interest rate risk.

Principal Risks Identified	Description of the Principal Risks Identified	Mitigation of Risks
• R&D risk	The financial technology industry is characterised by rapidly changing technology and customer requirements. It is vital for us to keep abreast of the market and industry development. In particular, we may not be able to keep up with the rapid changes in technology and customer requirements, our R&D plans may not be successful or marketable and we may fail to upgrade our financial trading solutions to accommodate any upgrades to third party financial trading solutions or trading platforms of stock exchanges.	• Keep track of the technology changes • Closely communicate with the customers for their demand • Thorough feasibility study before commencement of each development project
• Retention of customers • Concentration of customers	Our ability to maintain our revenue stream depends on our capability to continue the existing engagements as well as secure new engagements from existing customers or new customers. The term of our service agreements is one year or less which may or may not be automatically renewed, while some of them do not have fixed term and will be in force from the date of agreement unless terminated.	• Conduct configuration checking, stress test, unit test and internal/external user acceptance test for our financial trading solutions and/or non-financial IT solution(s) to ensure the quality of our financial trading solutions and/or non-financial IT solution(s) provided to our customers • Provide quality maintenance support services (e.g. timely respond to customer's query)

Management Discussion and Analysis

Principal Risks Identified	Description of the Principal Risks Identified	Mitigation of Risks
• Retention of staff	Our future success depends on our ability to continue to retain and attract qualified technical and managerial staff with the appropriate technical expertise and domain knowledge of the financial technology industry.	• Offer competitive remuneration package • Training and development • Team building and recreational activities
• Concentration of suppliers	In case the supply of services by our major suppliers (such as server and financial market information) is disrupted, and we are not able to timely identify and engage replacement service providers, our business operation may be disrupted or face security risks.	• Timely payment of suppliers' invoices • Regular evaluation and monitoring of performance of supplier (e.g. stability of data centre, computer network and data service)

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

The Group's revenue and cost are primarily denominated in US$ and HK$. Since HK$ is pegged to US$, the Group does not have significant currency risks and it is the Group's policy not to engage in speculative activities. The Group has not entered into any contracts to hedge its exposure against foreign exchange risk.

EXPOSURE TO CREDIT RISK

The Group's credit risk is primarily attributable to cash and cash equivalents, trade receivables due from customers, contract assets, deposits and other receivables and balances due from agents as set out in notes 5, 18, 21 and 22 to the consolidated financial statements. The Group has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

To manage the risk arising from cash deposited in banks and balances due from agents, the Group only transacts with reputable banks which are all high-credit-quality financial institutions. In addition, the Group has a credit policy to monitor the level of credit risk in relation to customers. The credit record and credit period for each customer or debtor are regularly assessed, based on the customer's or debtor's financial condition, their credit records and other factors such as current market condition. For details, please refer to note 3.1(b) to the consolidated financial statements.

The Group applies the simplified approach to provide for expected credit losses prescribed by Hong Kong Financial Reporting Standard 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets from third parties.

The Group in overall considers the shared credit risk characteristic and the days past due of the trade receivables and contract assets to measure the expected credit loss. Our management considered (among other factors) forward looking information, analysed historical payment pattern and concluded that the expected loss rate of trade receivables and contract assets are assessed as disclosed in note 3.1(b). Reversal of loss allowance provision amounted to HK$0.4 million for financial and contract assets was made during the year ended 31 March 2024 (2023: loss allowance provision of HK$4.6 million).

For deposits and other receivables, management makes periodic collective assessments as well as individual assessments on the recoverability of deposits and other receivables based on historical settlement records and past experience. The Directors believe there is no material credit risk inherent in the Group's outstanding balances of deposits and other receivables and the expected credit loss was insignificant for the year ended 31 March 2024 (2023: same).

Management Discussion and Analysis

EXPOSURE TO LIQUIDITY RISK

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is set out in note 3.1(c) to the consolidated financial statements.

EXPOSURE TO INTEREST RATE RISK

The Group's exposure to interest rate risk arises from its bank deposits. These deposits bear interests at variable rates which varied with the then prevailing market condition. Except as stated above, the Group has no other interest-bearing assets and liabilities as at 31 March 2024, while its income and operating cash flows are substantially independent of changes in variable interest rates.

CAPITAL STRUCTURE

The Shares were listed on GEM of the Stock Exchange on the Listing Date. There has been no change in the capital structure of the Company since then. As at 31 March 2024, the capital structure of the Company comprised mainly of issued share capital and reserves.

PLEDGE OF ASSETS

As at 31 March 2024 and 31 March 2023, no assets of the Group were pledged.

MATERIAL ACQUISITIONS AND DISPOSALS

On 20 September 2023, GMO Financial Holdings, Inc. (as vendor) and Max Bullions Limited (an indirect wholly-owned subsidiary of the Company, as purchaser) entered into a sale and purchase agreement in relation to the acquisition by the Group of the entire issued share capital in Max Online, which was principally engaged in the provision of bullion trading services in Hong Kong. Completion of the acquisition took place on 25 September 2023, upon which the financial results of Max Online were consolidated into the financial statements of the Group. For further details, please refer to the Company's announcements titled "Discloseable Transaction – Acquisition of the Target Company" dated 20 September 2023 and "Discloseable Transaction – Completion of Acquisition of the Target Company" dated 25 September 2023.

Saved as disclosed above, the Group has not made any significant investments or material acquisitions and disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2024.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any material capital commitments and contingent liabilities.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 March 2024, the Group had a workforce of 40 (2023: 56) full-time employees. The remuneration of the Group's employees is determined depending on a number of factors, including their qualifications, function, experience, work performance and local market conditions. The Group regularly reviews its remuneration and benefit policies to ensure that the remuneration package offered remains competitive and in line with the relevant labour laws and regulations. For the year ended 31 March 2024, the total employee benefit expenses of the Group (including salaries, bonuses, allowances, pension costs (defined contribution plans), staff welfare and benefits and share-based payment expenses) before deduction of capitalised staff costs as development costs of computer software system was approximately HK$32.3 million (2023: approximately HK$27.6 million). The Company has adopted a Share Option Scheme on 29 March 2019 to enable the Company to grant options to, amongst others, the employees and directors of the Group. For details, please refer to note 24 to the consolidated financial statements and the paragraph headed "Share Option Scheme" under the section headed "Directors' Report" in this report.

SIGNIFICANT INVESTMENTS AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Company did not have any significant investments as at 31 March 2024. Save as disclosed in the Prospectus and the Company's announcement titled "Second Change in Use of Proceeds" dated 11 May 2022 (the "**Announcement**"), the Company did not have other plans for material investments or capital assets.

Management Discussion and Analysis

COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

An analysis comparing the business objectives as set out in the Prospectus with the Group's actual business progress for the period from the Listing Date to 31 March 2024 is set out below:

Business Objectives	Actual Progress	
(i) Continue to commit in R&D of our financial trading solutions	R&D plans	Progress from the Listing Date to 31 March 2024
	A. Enhance and upgrade our financial trading solutions	
	(a) Develop the cloud-based versions of GES EX and GES IX	The Group entered into a hosting services subscription agreement with HKEX Hosting Services Limited ("**HKEX Hosting**") for the colocation facilities, which provide us access to the trading and market data, trading and clearing systems of the Stock Exchange at a low latency connection. As a result, the Group has become one of the HKEX Hosting application service providers ("**ASP**") ecosystem members to provide approved ASP services to our customers. In addition, the Group acquired servers, networking resources and third party software to power up the cloud native version of GES EX and GES IX in June 2019 and December 2019 respectively.
	(b) Enable the use of big data for AUTON	The Group acquired servers, networking resources and third party software to process the big data and additional space to host the big data server in July 2019. This allows AUTON users to extract information from our big data server for backtesting their algo-trading strategies.
	(c) Enhance AUTON's algo-trading capability with artificial intelligence	In September 2020, the Group successfully engaged consultants who have worked with our development team and provided technical advice on the relevant R&D activities. These consultants left the Group since June 2021 and we have suspended the R&D activities until we have engaged replacement consultants.
	(d) Develop HTML5 version of AUTON	The Group was awarded a non-financial IT solutions project in April 2021. Although we initially targeted to commence the development of HTML5 version of AUTON in third quarter of 2020, management team has reallocated the resources from development of HTML5 version of AUTON to the non-financial IT solution project. We will resume the development of HTML5 version of AUTON once the non-financial project has been completed.
	(e) Unify and improve our financial trading solutions	Unification of GES TX and GES EX has been completed on December 2021 while that of GES IX and Xentix has been completed on September 2022.

Management Discussion and Analysis

Business Objectives	Actual Progress		
(i) Continue to commit in R&D of our financial trading solutions *(Continued)*	B.	Incorporate prevailing technologies to promote algo-trading and awareness of our trading terminal and trading systems	By R&D of our development team and acquisition of servers and third party software, we have launched the terminal for simulation of algo-trading and the web portal for algo sharing. We will continue enhancing the terminal and the web portal for portfolio tracking and optimization. We have also made some marketing effort to promote the above-mentioned web portal.
	Overall, to implement the above R&D plans, the Group had used approximately HK$4.1 million to subscribe for basic market information package and corporate action information package and purchase the above-mentioned hosting and connectivity services, approximately HK$1.5 million to subscribe for cloud-based server hosting services, approximately HK$4.4 million to recruit 5 R&D staff and approximately HK$1.5 million to acquire computer hardware and software. As disclosed in the Announcement, after the second revised allocation, a total amount of HK$1.7 million unutilised in this category was re-allocated to category (iv) Performance of SOA and we will use internal resources to continue the R&D activities and marketing activities (if any).		
(ii) Pursue selective acquisition(s)	As disclosed in the Announcement, we will no longer pursue selective acquisition(s) and an amount of HK$1.4 million unutilised in this category was re-allocated to category (iv) Performance of SOA after the second revised allocation.		
(iii) Establish a R&D centre	The Group has established a R&D centre in May 2022. It was primarily because we did not have sufficient office space for the additional headcounts of R&D staff. As disclosed in the Announcement, the expected timeline for full use of the Net Proceeds for this item was changed to July 2023 and an amount of HK$0.4 million unutilized in this category was re-allocated to category (iv) Performance of SOA after the second revised allocation.		
(iv) Performance of SOA	As disclosed in the Announcement, the Board has re-allocated a total of HK$3.5 million to recruitment of staff and/or engagement of consultant(s) and subscription of server hosting services by February 2023. As of 31 March 2024, all resources has been utilized in this category. Proceeds allocated under this category was spent on staff cost and the remaining was spent on hosting services.		

USE OF PROCEEDS FROM THE LISTING

The Shares of the Company were initially listed on GEM of the Stock Exchange by way of Share Offer of 100,000,000 Shares on the Listing Date, at HK$0.53 per Share.

The Net Proceeds were approximately HK$17.5 million, which was based on the gross proceeds from the Share Offer less the actual expenses relating to the Listing. The change in the amount of Net Proceeds as disclosed in the Prospectus is primarily due to the fact that the shares were issued at the low-end of the Offer Price Range (as defined in the Prospectus).

As disclosed in the Announcement, the Board resolved to further change and reallocate the uses of part of its unutilised Net Proceeds on 11 May 2022. An aggregate amount of approximately HK$3.5 million (comprising HK$1.0 million originally intended for recruitment of R&D staff and engagement of consultant to provide technical support for R&D, HK$0.7 million originally intended for marketing expenses, HK$1.4 million originally intended for pursuing selective acquisition(s) and HK$0.4 million originally intended for establishing a R&D centre) was re-allocated to recruitment of staff and/or engagement of consultant(s) and subscription of server hosting services for performance of SOA.

Management Discussion and Analysis

During the period from the Listing Date to 31 March 2024, the Group has applied the Net Proceeds as follows:

Description of intended use of the proceeds	Revised allocation of the Net Proceeds on 11 May 2022 HK$ million	%	Planned use of proceeds from the Listing Date to 31 March 2024 HK$ million	Actual use of proceeds from the Listing Date to 31 March 2024 HK$ million	Unutilised amount as at 1 April 2023 HK$ million	Amount utilised during the year ended 31 March 2024 HK$ million	Unutilised amount as at 31 March 2024 HK$ million	Expected timeline for full use of the unutilised proceeds
(i) Continue to commit in R&D of our financial trading solutions	11.6	66.3	11.6	11.6	*	*	–	N/A
(ii) Pursue selective acquisition(s)	–	N/A	–	–	N/A	N/A	N/A	N/A
(iii) Establish a R&D center	1.4	8.0	1.4	1.4	0.2	0.2	–	N/A
(iv) Performance of SOA	3.5	20.0	3.5	3.5	*	*	–	N/A
(v) Working capital and other general corporate purpose	1.0	5.7	1.0	1.0	–	–	–	N/A
Total	**17.5**	**100.0**	**17.5**	**17.5**	**0.3**	**0.3**	**-**	

* Less than HK$100,000

AUDIT COMMITTEE

The Audit Committee consists of three independent non-executive Directors, being Mr. Lo Chi Wang, Mr. Wu Kin San Alfred and Mr. Moo Kai Pong. Mr. Lo Chi Wang is the chairman of the Audit Committee. The Group's audited annual results for the year ended 31 March 2024, the accounting policies and practices adopted by the Group, and the Group's financial reporting and internal control matters have been reviewed by the Audit Committee in the meeting held on 20 June 2024.

Biographical Details of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Chung Chau Kan (鍾就根), aged 48, was appointed as a Director on 7 February 2018 and was re-designated as an executive Director and the Chief Executive Officer on 7 May 2018. He is a member of the Remuneration Committee. Mr. Chung is responsible for the day-to-day management, overseeing the business operations, business development, strategic planning and supervising the development of financial trading solutions of our Group. Mr. Chung has over 24 years of experience in software engineering, system development and IT consulting, in particular, financial information systems and trading solution development. Prior to joining the Group, Mr. Chung was an engineer in Entone Technologies Limited from June 2000 to January 2001 and was responsible for software design, development, testing and maintenance. Mr. Chung worked in Reuters Hong Kong Limited as a consultant from January 2001 to January 2002. He was primarily responsible for developing stock exchanges connectivity for the online trading system, supporting and enhancing a production real-time market data delivery site and building internet site for sales support. Mr. Chung was a software engineer of A.K. Technology Company, Real Logic Technology and Global eSolution Limited. He was mainly responsible for designing and developing timetabling engine, online trading platforms and wealth management platforms. Mr. Chung joined our Group in August 2006 as development manager of the principal operating subsidiary, GLOBAL ESOLUTIONS (HK) LIMITED ("**GES**"), of our Group. He was promoted to general manager of GES in July 2010. Since September 2011, Mr. Chung has been a director of GES, mainly responsible for overseeing the operations and software development of GES. Apart from GES, Mr. Chung is also a director of various subsidiaries, including Real Logic Technology Company Limited, Win Investment (HK) Limited and Motion Cast Limited. Mr. Chung is the sole director of Expert Wisdom Holdings Limited, which holds 22.5% of the issued Shares as at the date of this annual report.

Mr. Chung obtained a degree of Bachelor of Science (Hons) in Computer Studies from City University of Hong Kong in November 2000 with first class honours.

Mr. Wong Wing Hoi (王永凱), aged 45, was appointed as a Director on 7 February 2018 and re-designated as an executive Director on 7 May 2018. Mr. Wong is responsible for the day-to-day management of the software development operations, assisting the Chief Executive Officer on planning and supervising the development of financial trading solutions of our Group. Mr. Wong has over 22 years of experience in software engineering, system development and IT support. Prior to joining our Group, (i) from August 2001 to February 2005, Mr. Wong worked in Netcast Information Limited as a programmer and was mainly responsible for developing and testing software applications; and (ii) from February 2005 to July 2006, Mr. Wong worked in Global eSolution Limited as an analyst programmer and was mainly responsible for developing online trading system, database designing and tuning and providing IT support. Mr. Wong joined our Group in August 2006 as senior analyst programmer of GES. He was promoted to project manager and assistant director of GES in January 2011 and in December 2015, respectively. During his tenure as an assistant director of GES, he is mainly responsible for overseeing the software development operations and the development team of our Group. He is also involved in the recruitment of the software developers and engineers.

Mr. Wong obtained a degree of Bachelor of Engineering (Hons) from The Chinese University of Hong Kong in November 2001.

NON-EXECUTIVE DIRECTOR

Mr. Wei Ming (衛明), aged 72, was appointed as a Director on 7 February 2018 and re-designated as a non-executive Director and the Chairman on 7 May 2018. He is the chairman of the Nomination Committee. He joined our Group in December 2016 as a director of GES. He is responsible for overall strategic management and development of corporate policies and strategies of our Group. Since 21 February 2018 when Motion Cast Limited was incorporated, Mr. Wei has been a director of Motion Cast Limited which is an investment holding company of our Group. Prior to joining our Group, (i) from around 1984 to 2002, he was primarily engaged as regional controller, director and principal advisor in financial trading businesses located in Hong Kong and Taiwan; and (ii) from January 2010 to January 2012, he was a director of Jin Ku Precious Metal Trading Ltd (currently known as Far East Precious Metal (HK) Limited) which was principally engaged in bullion trading in Hong Kong. Mr. Wei is the sole director of Essential Strategy Investments Limited, which holds 52.5% of the issued Shares as at the date of this annual report.

Mr. Wei completed a Textile Mechanical Course at Hong Kong Technical College (currently known as The Hong Kong Polytechnic University) in around September 1971.

Biographical Details of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Moo Kai Pong (巫啟邦), aged 57, was appointed as our independent non-executive Director on 29 March 2019. He is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee. He is primarily responsible for providing independent advice to the Board.

Mr. Moo has more than 22 years of experience in software engineering, system development and IT support. Prior to joining the Group, Mr. Moo was a programmer in Win Master Limited and was responsible for developing the personnel management information system for the Regional Services Department of the Government of Hong Kong from November 1995 to May 1996. Mr. Moo worked in C P International Limited as a contract analyst programmer & systems analyst from October 1996 to April 1999, and he was being assigned to Reuters Asia Pte Limited and was involved in projects that develop domestic internet/extranet products as the major Oracle Database designer and project leader. From May 1999 to August 2000, Mr. Moo was a senior system designer in Reuters Hong Kong Limited, where he was involved in projects that develop domestic internet/extranet products as the major database designer and project leader. Mr. Moo joined ABN AMRO Asia Limited in August 2000 as a senior database administrator until May 2002 and he was involved in database server projects and the technical co-ordination of integration projects. From September 2002 to August 2003, Mr. Moo worked in Broadway Photo Supply Limited as a system analyst for developing applications. Mr. Moo was the assistant vice president of New York Life International, LLC from August 2003 to December 2010 and was mainly responsible for managing the setting up of a data centre in the regional office; setting up of a data environment particularly for IT project development, and implementation of the solution of a project which was for new network establishment for better availability and bandwidth capacity connected with each market by using encryption techniques for networking among all markets.

Mr. Moo obtained a degree of Bachelor of Science from Victoria University of Wellington in New Zealand in December 1992.

Mr. Lo Chi Wang (羅智弘), aged 46, was appointed as our independent non-executive Director on 29 March 2019. He is currently the chairman of the Audit Committee. He is primarily responsible for providing independent advice to the Board.

Mr. Lo has approximately 22 years of experience in accounting and finance field. Mr. Lo's experience in auditing and tax advisory services was gained from his various positions in Deloitte Touche Tohmatsu Limited from February 2002 to June 2009. Mr. Lo was the financial controller of Sino Grandness Food Industry Group Limited (stock code: T4B, a company listed on the Singapore Stock Exchange) and has participated in the preparation of initial public offering project in the private sector. He has been the group financial controller and assistant general manager of financial service division and Hong Kong factory of Hung Fook Tong Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1446).

Mr. Lo was an independent non-executive director of Dragon Rise Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 6829) from January 2018 to September 2021. He is currently an independent non-executive director of Easy Smart Group Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2442) and Daido Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 544).

Mr. Lo obtained a degree of Bachelor of Arts (Honours) in Accounting from Manchester Metropolitan University in Manchester, United Kingdom. He is a fellow member of both the Association of Chartered Certified Accountants ("**ACCA**"), the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), and CPA Australia. He was a committee member of Qualification and Examinations Board ("**QEB**") of HKICPA and a co-opted member of Moderation Sub-groups under QEB.

Biographical Details of Directors and Senior Management

Mr. Wu Kin San Alfred (胡健生), aged 42, was appointed as our independent non-executive Director on 29 March 2019. He is a member of the Audit Committee, Remuneration Committee and Nomination Committee. He is primarily responsible for providing independent advice to our Board.

Mr. Wu has approximately 20 years of experience in auditing, corporate finance and investment banking. He is currently the managing director of the corporate finance department of Fortune Financial Capital Limited, a subsidiary of China Fortune Financial Group Limited (currently known as GoFintech Innovation Limited) which is a company listed on the Main Board of the Stock Exchange (stock code: 290). He joined the corporate finance department of Fortune Financial Capital Limited as an executive director in April 2016. Since November 2023, Mr. Wu has been an independent non-executive director of Hing Ming Holdings Limited, a company listed on GEM of the Stock Exchange (stock code: 8425). From February 2018 to December 2022, he was an independent non-executive director of Tongda Hong Tai Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2363). Prior to that, Mr. Wu worked in Deloitte Touche Tohmatsu from January 2004 to August 2007, where his last position was a senior accountant. From August 2007 to March 2009, Mr. Wu worked in ICEA Capital Limited where his last position was analyst – investment banking division. From April 2009 to February 2010, Mr. Wu worked in ICBC International Holdings Limited where his last position was associate. From February 2010 to September 2010, Mr. Wu was vice president – investment banking department in CMB International Capital Holdings Corporation Limited (formerly known as CMB International Capital Corporation Limited). Mr. Wu joined CMB International Capital Limited in September 2010 until May 2013 where he worked as vice president – investment banking division. From May 2013 to August 2014, Mr. Wu worked in Haitong International Capital Limited, which is a subsidiary of Haitong International Securities Group Limited (a company listed on the Main Board of the Stock Exchange (stock code: 665)). From August 2014 to April 2016, Mr. Wu worked in Guosen Securities (HK) Financial Holdings Co., Ltd where his last position was director – investment banking department.

Mr. Wu obtained a degree of Bachelor of Arts in Accounting and Financial Analysis and a Master's degree of Arts in International Financial Analysis from University of Newcastle upon Tyne (currently known as Newcastle University), the United Kingdom, in July 2002 and December 2003, respectively. He was admitted as a member of the HKICPA in March 2009.

COMPLIANCE OFFICER

Mr. Chung Chau Kan (鍾就根) is the compliance officer of our Company. For his biographical details, please refer to the paragraph headed "EXECUTIVE DIRECTORS" under this section.

COMPANY SECRETARY

Ms. Lee Wing Yin (李穎然), HKICPA, aged 35, was appointed as our company secretary on 2 September 2022. Ms. Lee has joined GES since July 2022 and is currently a deputy financial controller of the Group. Ms. Lee has over 11 years of experience in accounting, finance and audit with international audit firms and a listed company in Hong Kong. Ms. Lee obtained a degree of Bachelor of Business Administration in Accountancy from City University of Hong Kong in July 2012. She is the member of the HKICPA and the ACCA.

Directors' Report

The Directors are pleased to present their annual report and the audited consolidated financial statements of the Group for the year ended 31 March 2024.

CORPORATE REORGANISATION AND LISTING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 7 February 2018 under the Companies Act. Pursuant to a reorganisation of the Group in preparation for the Listing of the Shares on GEM of the Stock Exchange, the Company became the holding company of the companies now comprising the Group. Details of the corporate reorganisation are set out in the section headed "History, Development and Reorganisation" in the Prospectus. The Shares were initially listed on GEM of the Stock Exchange on 2 May 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in (i) development and provision of financial trading solutions; (ii) development and supply of resource allocation, planning, scheduling and management of software and services; and (iii) provision of bullion trading services. Details of the principal activities of the subsidiaries are set out in note 12 to the consolidated financial statements. The Group commenced its new business in bullion trading services during the year ended 31 March 2024. There were no significant changes in the nature of the Group's principal activities during the year ended 31 March 2024.

BUSINESS REVIEW

A fair review of the Group's business, a description of the principal risks and uncertainties the Group is facing and an indication of likely future development in the Group's business, are described in the "Chairman's Statement" and under the paragraph headed "Business Review" in the section headed "Management Discussion and Analysis" set out on pages 4 to 14 of this report. The discussion forms part of this directors' report.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 March 2024 and the Group's financial position at that date are set out in the consolidated financial statements on pages 67 to 68 of this report.

The Board recommends the payment of a final dividend of HK$0.002 per Share for the year ended 31 March 2024 (2023: HK$0.001 per Share).

Record Date for Final Dividend

Subject to approval by the Shareholders at the forthcoming annual general meeting, the final dividend of HK$0.002 per share for the year ended 31 March 2024 recommended by the Board will be declared to those Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 5 August 2024 (the record date) and it will be paid on or before Monday, 26 August 2024. There will be no book closure for the final dividend. In order to qualify for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 pm on Monday, 5 August 2024.

FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 128. This summary does not form part of the audited financial statements.

REVENUE

An analysis of the Group's revenue for the year ended 31 March 2024 is set out in note 5 to the consolidated financial statements.

PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Group during the year ended 31 March 2024 are set out in note 14 to the consolidated financial statements.

Directors' Report

SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 March 2024 are set out in note 23 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE SECURITIES BY THE COMPANY AND ITS SUBSIDIARIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares), and there was no exercise of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted at any time by the Company or any of its subsidiaries, during the year ended 31 March 2024 and up to the date of this report (the "**Relevant Period**").

PRE-EMPTIVE RIGHTS

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 March 2024 are set out in note 35(b) to the consolidated financial statements and the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

As at 31 March 2024, the reserves available for distribution to owners of the Company were approximately HK$934,000 (2023: approximately HK$895,000).

CHARITABLE DONATIONS

During the year ended 31 March 2024, the Group made charitable donations of approximately HK$2,000 (2023: HK$2,000).

DIRECTORS

The Directors during the Relevant Period were:

Executive Directors

Mr. Chung Chau Kan *(Chief Executive Officer)*
Mr. Wong Wing Hoi

Non-executive Director

Mr. Wei Ming *(Chairman)*

Independent Non-executive Directors

Mr. Moo Kai Pong
Mr. Lo Chi Wang
Mr. Wu Kin San Alfred

In accordance with the article 84 of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Accordingly, Mr. Wong Wing Hoi and Mr. Moo Kai Pong will retire at the forthcoming annual general meeting of the Company and, being eligible, will offer themselves for re-election.

Directors' Report

The Company has received, from each of the independent non-executive Directors, a written annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and as at the date of this report, the Company still considers each of the independent non-executive Directors to be independent.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Group are set out on pages 15 to 17 of this report.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial fixed term of three years commencing from 2 May 2019 and renewable automatically for successive terms of one year, subject to the provision of retirement and rotation of the Directors under the Articles. The non-executive Director and each of the independent non-executive Directors respectively has entered into a letter of appointment with the Company and is appointed for an initial fixed term of three years commencing from 2 May 2019 and renewable automatically for successive terms of three years, subject to the provision of retirement and rotation of the Directors under the Articles. The service agreement may be terminated by not less than three months' notice in writing served by either party on the other after the expiry of the first year of service. The letter of appointment may be terminated by not less than three months' notice in writing served by either party on the other after the expiry of the first three years of service.

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

EMOLUMENT POLICY

The remuneration of the Group's employees is determined based on a number of factors, including their qualifications, function, experience, work performance and local market conditions. The Group regularly reviews its remuneration and benefit policies to ensure that the remuneration package offered remains competitive and in line with relevant labour regulations.

EMOLUMENT OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

The Remuneration Committee is established for reviewing the Group's emolument policy and structure for making recommendation to the Board on the overall remuneration policy and structure in relation to all Directors and senior management of the Group. Other emoluments of the Directors are determined with reference to market conditions, directors' duties, responsibilities and performance and the results of the Group. For details of the Group's remuneration policy including the factors in determining the emoluments, please refer to the paragraph headed "Human Resources and Remuneration Policies" under the section headed "Management Discussion and Analysis" in this report. Details of the emoluments of the Directors and the five highest paid individuals of the Group are set out in notes 7 and 8 to the consolidated financial statements.

No Director has waived or agreed to waive any emoluments during the year ended 31 March 2024.

PERMITTED INDEMNITY PROVISION

Every Director shall be entitled under the Articles to be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses incurred or sustained by him as a Director in the execution or discharge of his duty.

During the year ended 31 March 2024 and as at the date of this report, the Company has taken out Directors' and officers' liabilities insurance which provides appropriate coverage for the Directors.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the paragraph headed "Related Party Transactions" in this section of this report and in note 34 to the consolidated financial statements, neither the Company nor any of its subsidiaries had entered into any contract of significance with the Company's Controlling Shareholders or their subsidiaries, or any contract of significance for the provision of services to the Company or any of its subsidiaries by the Company's Controlling Shareholders or their subsidiaries during the year ended 31 March 2024.

Directors' Report

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

Save as disclosed in this report, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at any time during the year ended 31 March 2024 or as at the end of the financial year.

MANAGEMENT CONTRACTS

Other than the service contracts of the executive Directors, the Company has not entered into any contract with any individual, firm or body corporate to manage or administer the whole or any substantial part of any business of the Company during the year ended 31 March 2024.

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

As at 31 March 2024, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name of Director	Company/name of associated corporation	Capacity and nature of interest	Number of shares of the Company/ associated corporation held *(Note 3)*	Approximate percentage of the issued Shares of the Company/ associated corporation
Mr. Wei Ming ("**Mr. Wei**") *(Chairman and Non-executive Director)*	Company	Interest in controlled corporation *(Note 1)*	210,000,000 (L)	52.5%
Mr. Chung Chau Kan ("**Mr. Chung**") *(Chief Executive Officer and Executive Director)*	Company	Interest in controlled corporation *(Note 2)*	90,000,000 (L)	22.5%
Mr. Wei	Essential Strategy Investments Limited ("**Essential Strategy**")	Beneficial owner	1,000 (L)	100% *(Note 1)*

Notes:

(1) The 210,000,000 Shares were held by Essential Strategy which is wholly owned by Mr. Wei. As such, Mr. Wei was deemed to be interested in all the Shares held by Essential Strategy pursuant to Part XV of the SFO.

(2) The 90,000,000 Shares were held by Expert Wisdom Holdings Limited ("**Expert Wisdom**") which is wholly owned by Mr. Chung. As such, Mr. Chung was deemed to be interested in all the Shares held by Expert Wisdom pursuant to Part XV of the SFO.

(3) The letter "L" denotes "long position" in such Shares or underlying Shares.

Saved as disclosed above, as at 31 March 2024, none of the Directors or chief executive of the Company had interest or short position in any Shares or underlying Shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have 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 in which they are taken or deemed to have under such provisions of the SFO) or that was required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

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

As at 31 March 2024, the following persons (other than the Directors or chief executive of the Company) had interests and short positions in the Shares or underlying Shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity and nature of interest	Number of Shares held *(Note 5)*	Approximate percentage of the issued Shares
Essential Strategy	Beneficial owner *(Note 1)*	210,000,000 (L)	52.5%
Ms. Wong Siu King ("**Ms. Wong**")	Interest of spouse *(Note 2)*	210,000,000 (L)	52.5%
Expert Wisdom	Beneficial owner *(Note 3)*	90,000,000 (L)	22.5%
Ms. Yip Kim Kam ("**Ms. Yip**")	Interest of spouse *(Note 4)*	90,000,000 (L)	22.5%

Notes:

(1) Mr. Wei held 210,000,000 Shares through a company wholly-owned by him, Essential Strategy.

(2) Ms. Wong is the spouse of Mr. Wei. Under the SFO, Ms. Wong is deemed to be interested in the same number of Shares in which Mr. Wei is interested.

(3) Mr. Chung held 90,000,000 Shares through a company wholly-owned by him, Expert Wisdom.

(4) Ms. Yip is the spouse of Mr. Chung. Under the SFO, Ms. Yip is deemed to be interested in the same number of Shares in which Mr. Chung is interested.

(5) The letter "L" denotes "long position" in such Shares or underlying Shares.

Saved as disclosed above, as at 31 March 2024, the Company has not been notified by any persons (other than the Directors or chief executive of the Company) who has interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

SHARE OPTION SCHEME

The Company has adopted the Share Option Scheme on 29 March 2019. The principal terms of the Share Option Scheme were summarised in the paragraph headed "Statutory and General Information – D. Share Option Scheme" in Appendix VI to the Prospectus.

Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which any member of the Group holds any equity interest (the "**Invested Entity**").

Directors' Report

Participants of the Share Option Scheme

The Directors shall, in accordance with the provisions of the Share Option Scheme and the GEM Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the date of the adoption of the Share Option Scheme (i.e. 29 March 2019) to make an offer to any person belonging to the following classes:

(i) any employee (whether full time or part time, including the Directors (including any non-executive Director and independent non-executive Director)), any of our subsidiaries (within the meaning of Companies Ordinance) or any Invested Entity;

(ii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iii) any customer of any member of the Group or any Invested Entity;

(iv) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;

(v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(vi) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of the Directors has contributed or will contribute to the growth and development of the Group; and

(vii) any other groups or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, and, for the purpose of the Share Option Scheme, the offer for the grant of an option may be made to any company wholly-owned by one or more eligible participants.

Maximum number of Shares

(i) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by the Group shall not exceed 30% of the share capital of the Company in issue from time to time, being options for 120,000,000 Shares as of the date of this report. No options may be granted under the Share Option Scheme or any other share option schemes adopted by the Group if the grant of such options will result in the limit referred herein being exceeded.

(ii) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Group) to be granted under the Share Option Scheme and any other share option schemes of the Group shall not in aggregate exceed 10% of the share capital of the Company in issue as at the Listing Date, being 40,000,000 Shares ("**General Scheme Limit**").

(iii) Subject to (i) above and without prejudice to (iv) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group shall not exceed 10% of the share capital of the Company in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of the Group) previously granted under the Share Option Scheme and any other share option schemes of the Group will not be counted.

(iv) Subject to (i) above and without prejudice to (iii) above, the Company may seek separate Shareholders' approval in general meeting to grant options under the Share Option Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in (iii) above to eligible participants specifically identified by the Company before such approval is sought.

As at 1 April 2023 and 31 March 2024, the number of share options available for grant under the General Scheme Limit of the Share Option Scheme were 12,800,000 and 12,800,000, respectively.

As at the date of this report, the total number of Shares available for future grant under the Share Option Scheme was 12,800,000 Shares (representing 3.2% of the total issued Shares on the same date).

Directors' Report

Granted, cancelled and lapsed options

During the year ended 31 March 2024, no Share Option was granted (2023: none) or lapsed (2023: 6,000,000) and 27,200,000 Share Options were cancelled (2023: none). For details, please refer to Note 24 to the consolidated financial statements.

The following table sets out details of the movements of share options granted by the Company pursuant to the Share Option Scheme for the year ended 31 March 2024:

Category and name of grantee	Date of grant	Outstanding as at 1 April 2023	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 31 March 2024	Exercise price per Share	Closing price of Share before the date of grant of share options	Weighted average closing price of Share before date of exercise of options	Exercise period
Mr. Wong Wing Ho *(Executive Director)*	15 August 2019	4,000,000	–	–	(4,000,000)	–	–	HK$0.178	HK$0.158	NA	50% from 15 August 2020 to 14 August 2029 50% from 15 August 2021 to 14 August 2029
	3 November 2020	800,000	–	–	(800,000)	–	–	HK$0.095	HK$0.091	NA	50% from 3 November 2021 to 2 November 2030 50% from 3 November 2022 to 2 November 2030
Mr. Wei Chun Pong Benjamin *(Note 1)*	15 August 2019	800,000	–	–	(800,000)	–	–	HK$0.178	HK$0.158	NA	50% from 15 August 2020 to 14 August 2029 50% from 15 August 2021 to 14 August 2029
Employees of the Group	15 August 2019	17,600,000	–	–	(17,600,000)	–	–	HK$0.178	HK$0.158	NA	50% from 15 August 2020 to 14 August 2029 50% from 15 August 2021 to 14 August 2029
Consultants of the Group	15 August 2019	4,000,000	–	–	(4,000,000)	–	–	HK$0.178	HK$0.158	NA	50% from 15 August 2020 to 14 August 2029 50% from 15 August 2021 to 14 August 2029

Notes:

1. Mr. Wei Chun Pong Benjamin is the son of Mr. Wei Ming, the Chairman and the non-executive Director.

Directors' Report

Maximum entitlement of each participant

The maximum entitlement of each eligible participant under the Share Option Scheme in any 12-month period up to the date of offer to grant shall not exceed 1% of the Shares in issue as at the date of offer to grant.

Period within which the options may be exercised by grantees under the Share Option Scheme

An offer under the Share Option Scheme shall remain open for acceptance by the eligible participant concerned (and by no other person) for a period of up to 21 days from the date, which shall be a business day, on which the offer is made to the eligible participant. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to the grantee thereof, and in the absence of such determination, from the date of acceptance of the offer of such option to the earlier of (i) the date on which such option lapses under the relevant provisions of the Share Option Scheme; and (ii) the date falling 10 years from the offer date of that option. Please refer to the table above for the exercise period of the share options granted by the Company pursuant to the Share Option Scheme.

Amount payable on application/acceptance of the option

An offer shall have been accepted by an eligible participant in respect of all Shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date).

Basis of determining exercise price

The subscription price in respect of any option shall, subject to any adjustments made, be at the discretion of the Directors, provided that it shall not be less than the highest of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the offer date;

(ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the offer date; and

(iii) the nominal value of a Share.

The closing price of the Shares immediately before the following dates on which the share options were granted are set out below:

	Options granted on 15 August 2019	Options granted on 3 November 2020
Closing price immediately before the date of grant	HK$0.158	HK$0.091

Vesting period of options granted under the Share Option Scheme

Unless otherwise determined by the Directors and stated in the offer to a grantee, a grantee is not required under the Share Option Scheme to hold an option for any minimum period nor achieve any performance targets before the exercise of an option granted to him.

Directors' Report

Remaining life of the Share Option Scheme

The Share Option Scheme shall remain in force for a period of 10 years commencing on 29 March 2019. As at 31 March 2023 and 2024, the remaining life of the Share Option Scheme was respectively approximately 6 years and 5 years (i.e. until 28 March 2029).

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the paragraphs headed "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" and "Share Option Scheme" above, at no time during the Relevant Period were there any rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or chief executive of the Company or their respective associates or were there any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors or chief executive of the Company or their respective associates to acquire such rights in any other body corporate.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this report, no equity-linked agreements were entered into by the Company during the year ended 31 March 2024 or subsisted at the end of the financial year.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the year ended 31 March 2024 are set out in note 34 to the consolidated financial statements.

The related party transactions as disclosed in note 34 to the consolidated financial statements did not fall under the definition of "connected transaction" or "continuing connected transaction" (as defined under Chapter 20 of the GEM Listing Rules) or are fully exempt connected transaction pursuant to the GEM Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors as at the latest practicable date prior to the issue of this report, the Company has maintained the prescribed public float under the GEM Listing Rules during the Relevant Period.

COMPETING INTEREST

During the Relevant Period, none of the Directors or the Controlling Shareholders of the Company or their respective close associates had any business or interest which competed or might compete, either directly or indirectly, with the business of the Group nor did any such person have or may have any conflicts of interest with the Group.

DEED OF NON-COMPETITION

Each of the Controlling Shareholders of the Company, namely Mr. Wei and Essential Strategy, has executed a deed of non-competition dated 12 April 2019 (the "**Deed of Non-Competition**") in favour of the Company, pursuant to which each of the Controlling Shareholders, among other things, irrevocably and unconditionally, jointly and severally, warrants and undertakes to the Company (for itself and as trustee for each of its subsidiaries) on competition related matters. Details of the Deed of Non-Competition are set out in the section headed "Relationship with our Controlling Shareholders – Non-competition Undertaking" in the Prospectus. Each of the Controlling Shareholders has confirmed that none of them is engaged in, or interested in, any business (other than the Group) which, directly or indirectly, competes or may compete with the business of the Group.

The independent non-executive Directors have also reviewed the status of compliance and written confirmation from each of the Controlling Shareholders, and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by each of the Controlling Shareholders since the Listing Date and up to the date of this report.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities. If any shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

Directors' Report

KEY RELATIONSHIPS WITH ITS EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group has maintained a good relationship with its employees, customers and suppliers:

Employees

Human resources is of paramount importance to the Group's business operations and its success depends on its ability to hire new talents to deliver new features to its financial trading solutions and retain core employees to ensure stability of such financial trading solutions. The Group places great emphasis on the training and development of its employees by providing periodic trainings to equip them with the latest knowledge relating to their work duties and keep them abreast of the latest technological know-how and market news. The Group also subsidises eligible employees to participate in external professional courses.

The Group strives to treat all of its employees with respect and equality, and create a safe and motivating workplace for its employees. By organising different staff activities, the Group works to improve staff relationships and build up a sense of belonging, and at the same time, make sure its employees enjoy a good work-life balance. In order to provide a safe working environment and protect the Group's employees from occupational hazards, the Group has implemented sound workplace measures to ensure all risk-bearing activities are monitored and supervised, and newly joined employees would receive comprehensive orientation on the work safety procedures. The Group's liability to its employees is covered by insurance, which is required by law. During the year ended 31 March 2024, the Group did not receive any material claims for personal injuries by its employees under the employees' compensation insurance policies, and were not involved in accidents that resulted in material injuries or fatality in the course of its operations, and that no prosecution has been laid against the Group by any relevant authorities in respect of violation of applicable laws of health and safety.

To protect the Group's reputation and the data of its customers, the Group has implemented measures to restrict access right to customer data by its employees, so as to ensure that all confidential data is used for the Group's business purposes only and with the approval from the management and to prevent any unauthorised use of such data. In addition, employees are obliged to give confidentiality undertakings in their employment contracts and comply with the Group's internal control policy which restricts inappropriate use and appropriation of source code at work. Further, all of the intellectual property ("**IP**") rights created by its employees belong to the Group pursuant to its employment contracts entered into with all employees.

Customers

During the year ended 31 March 2024, the Group had 20 (2023: 28) customers that are mainly financial institutions, including brokerage firms and wealth management companies, and mainly located in Asia Pacific regions, such as Hong Kong, Malaysia, Belize and Australia, as well as Japan.

During the year ended 31 March 2024, sales to the Group's five largest customers accounted for approximately 71.9% (2023: 55.8%) of the total sales for the year and sales to the largest customer included therein amounted to approximately 44.5% (2023: 16.0%). During the year ended 31 March 2024, none of the Directors, their close associates or any Shareholder (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued Shares) had any interest in the Group's five largest customers.

Directors' Report

The Group enters into service agreements with each of its customers generally which sets out the specification of the financial trading solutions to be provided by the Group and the respective terms and conditions. The Group's standard terms and conditions require its customers to pay on a monthly basis with no credit term, which may be renewed automatically if no termination notice has been served on the Group for three months in advance. Other service agreements that the Group signs with customers may include tailor made terms in relation to, inter alia, duration of agreement, scope of services and payment arrangements. The Group has been advised that all such agreements are legally binding. During the year ended 31 March 2024, there were no major disputes or disagreement between the Group and its customers and no complaints from its customers which had a material impact on its business operation. An impairment assessment on financial and contract assets was conducted by the Group at least annually to monitor the level of credit risk in relation to customers. For details, please refer to note 3.1(b) to the consolidated financial statements.

Although the Group is not reliant on any single customer, the Group cannot assure its Shareholders that it would always be able to maintain business relationships with its existing major customers. In the event that the existing major customers reduce their subscription of our financial trading solutions, do not renew our service agreements or terminate our business relationship, and if we cannot secure new business of a comparable size from other customers as replacement within a reasonable period of time or at all, our business and profitability may be adversely affected. In addition, if any major customer experiences any liquidity problem, it may result in delay or default in settlement to the Group, which in turn may have an adverse impact on our cash flows and financial conditions. To mitigate such risks, the Group seeks to diversify our customer base by obtaining new engagements from its existing or new customers. Furthermore, the Group is constantly communicating with its existing and potential customers to maintain good relationship through various channels such as presentations, calls, emails, video conference and physical meetings with customers, with an aim to generate new businesses through its marketing initiatives, referrals from existing clients and the IT professionals from the finance industry.

Suppliers

During the year ended 31 March 2024, the Group's major suppliers consisted of (i) data center service providers; (ii) news feed providers; (iii) financial market information providers; (iv) data line vendors; (v) liquidity provider; and (vi) computer network and data service provider. Purchases attributable to the Group's five largest suppliers accounted for approximately 85.2% (2023: 82.2%) of the total purchases for the year and purchases attributable to the largest supplier included therein amounted to approximately 36.5% (2023: 33.6%). During the year ended 31 March 2024, none of the Directors, their close associates or any Shareholder (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued Shares) had any interest in the Group's five largest suppliers.

Going forward, the Group may consider engaging subcontractors, such as for the development of certain module(s) or upgrade of part of the Group's financial trading solutions depending on the availability of labour resources and when necessary. The Group will select subcontractors based on their technical expertise, ability to meet pre-determined schedules, the Group's past dealings with them and fees. To maintain flexibility, the Group does not plan to enter into any long-term agreements with subcontractors and will only place orders with them on an order-by-order basis.

Although there was a concentration of suppliers in terms of the aggregate amount of the Group's purchase from its top five suppliers, given the availability of products and services provided by the suppliers, the Group is not dependent on any single supplier and can easily locate alternative suppliers as needed. During the year ended 31 March 2024, the Group did not experience any shortage or delay in supply. In any case, the Group selects its suppliers based on a number of factors, including their price, scope of services, quality of products and services and their technical capabilities. It generally selects at least two vendors or service providers for each product or service to ensure competitive pricing.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Discussion on the environmental policies and performance is contained in the "Environmental, Social and Governance Report" on pages 43 to 59 of this report. This discussion form part of the directors' report.

Directors' Report

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in particular those which have a significant impact on the Group. The Board reviews and monitors the Group's policies and practices in compliance with legal and regulatory requirements on a regular basis. Any changes in the applicable laws, rules and regulations are brought to the attention of the Directors, relevant employees and relevant operation units from time to time.

From the Listing Date and up to the date of this report, to the best of the Company's knowledge, information and belief, and having made all reasonable enquiries, the Group has complied in all material respects with the requirements under all applicable laws and regulations that have a significant impact on the business and operation of the Group.

DIVIDEND POLICY

The Company has adopted a dividend policy that, in recommending or declaring dividends, the Company shall maintain adequate and sufficient cash reserves for meeting its working capital requirements and future growth as well as enhancing its Shareholder value. The Board has full discretion to declare and distribute dividends to the Shareholders, and any final dividend for a financial year will be subject to Shareholders' approval. In proposing any dividend pay-out, the Board shall also take into account, among other things, the Group's financial results, financial position, cash flow situation, business conditions and strategies, expected future operations and earnings, capital requirements and expenditure plans, interests of Shareholders, any restrictions on payment of dividends and any other factors the Board may consider relevant. Any payment of the dividend by the Company is also subject to any restrictions under all applicable laws and regulations.

CORPORATE GOVERNANCE

The Company has applied the principles of the CG Code set out in Part 2 of Appendix C1 to the GEM Listing Rules and has complied with the applicable code provisions during the year ended 31 March 2024 save for code provision D.2.5 in relation to internal audit function (please refer to the paragraph headed "Corporate Governance Practices" in the section headed "Corporate Governance Report" in this report for details). Details of the principal corporate governance practices as adopted by the Company and the Company's compliance with the applicable code provisions are set out in the section headed "Corporate Governance Report" on pages 31 to 42 of this report.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 24 July 2024 to Monday, 29 July 2024 (both dates inclusive) for determining Shareholders' eligibility to attend and vote at the forthcoming annual general meeting. All transfer of Shares, accompanied by the relevant share certificate(s) with the properly completed transfer form(s), must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m., Tuesday, 23 July 2024.

EVENTS AFTER THE REPORTING PERIOD

On 5 April 2024, Blotz Systems Pte. Ltd., a Singapore subsidiary, is established by the Group for its provision of IT solution service to institution customers.

Save as disclosed above and elsewhere in this report, the Group has no other significant events subsequent to 31 March 2024 and up to the date of this report.

Directors' Report

INDEPENDENT AUDITORS

The consolidated financial statements of the Company for the year ended 31 March 2024 have been audited by the Company's independent auditor, Baker Tilly Hong Kong Limited, who will retire and, being eligible, offer themselves for re-appointment as the Company's independent auditor. A resolution for the reappointment of Baker Tilly Hong Kong Limited will be proposed at the forthcoming annual general meeting.

As disclosed in the Company's announcement titled "Change of Auditor" dated 1 November 2021, PricewaterhouseCoopers had resigned as the auditor of the Company with effect from 1 November 2021 and the Company had appointed Baker Tilly Hong Kong Limited as the new auditor of the Company with effect from 1 November 2021 to fill the casual vacancy. Save as disclosed above, there was no change in auditors of the Company in any of the preceding three years.

By order of the Board

Wei Ming
Chairman and Non-executive Director

Hong Kong, 20 June 2024

Corporate Governance Report

The Board hereby presents this corporate governance report ("**CG Report**") in the Group's annual report for the year ended 31 March 2024.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles of good corporate governance and code provisions in Part 2 of the CG Code contained in Appendix C1 of the GEM Listing Rules as the basis of the Company's corporate governance practices.

The Board is of the view that during the Relevant Period, save for code provision D.2.5 in relation to internal audit function as detailed below, the Company has complied with all applicable code provisions as set out in the CG Code.

Code provision D.2.5 of the CG Code provides that the Company should have an internal audit function. The existing audit function of the Group is performed by the external auditor of the Group, Baker Tilly Hong Kong Limited. The Board and the Audit Committee have considered the Group's financial reporting and risk management and internal control systems (including but not limited to the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function, and any other internal control and risk management matters) and the confirmation provided by the senior management of the Company relating to their view on the effectiveness and adequacy of risk management and internal control systems of the Group. No material internal control deficiencies were identified. Having considered the size, nature and complexity of the Group's business, the Board and the Audit Committee are of the view that sufficient risk management and internal control of the Group can be maintained with the above-mentioned arrangements and there is no immediate need to set up an internal audit function within the Group. The Board and the Audit Committee will review the Group's need for an internal audit function from time to time.

BOARD OF DIRECTORS

Board composition and responsibilities

The Board consists of six Directors, including two executive Directors, one non-executive Director and three independent non-executive Directors. Details of their composition by category are as follows:

Executive Directors
Mr. Chung Chau Kan *(Chief Executive Officer)*
Mr. Wong Wing Hoi

Non-executive Director
Mr. Wei Ming *(Chairman)*

Independent Non-executive Directors
Mr. Moo Kai Pong
Mr. Lo Chi Wang
Mr. Wu Kin San Alfred

Details of background and qualifications of all Directors are set out in the section headed "Biographical Details of Directors and Senior Management" of this report. There is no relationship, including financial, business, family or other material/relevant relationship(s) among members of the Board.

Corporate Governance Report

RESPONSIBILITIES OF THE BOARD

The Board oversees the overall management and administration of the business and operations of the Group. The Board is primarily responsible for, among other things, the overall development, strategic planning, reviewing and monitoring the business performance, approving the financial statements and annual budgets, internal controls and risk management as well as supervising the management of the Group. The Board delegates to the management the authority and responsibilities of the day-to-day management and operation of the Company. Despite the foregoing delegation, the Board would review and supervise the performance of the management periodically. In addition, the Board has also delegated various responsibilities to the Audit Committee, the Remuneration Committee and the Nomination Committee. Details of the Board committees are set out below in this report. The delegated functions are reviewed by the Board periodically to ensure that they remain appropriate to the needs of the Group. The above mentioned personnel should report back and obtain prior approval from the Board before making any significant decisions or entering into any significant commitments on the Company's behalf.

The Board may delegate any of its powers, authorities and discretions to other committees, consisting of such Director(s) and other person(s) as the Board thinks fit, and they may, from time to time, revoke such delegation or revoke the appointment of and discharge any such committees either in whole or in part, and either as to persons or purposes. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to applicable laws and regulations, including the CG Code, and any regulations which may be imposed on it by the Board.

Regular meetings of the Board will be held to consider the strategic policies of the Company, including but not limited to reviewing and approving significant acquisitions and disposals and annual budgets, reviewing the performance of the business and approving the public release of periodic financial results. Directors are also provided with access to independent professional advice in carrying out their obligations as Directors as and when required, at the expense of the Company.

Appointment and Re-election of Directors

Each of the executive Directors has entered into a service agreement with the Company for an initial fixed term of three years commencing from 2 May 2019 and renewable automatically for successive terms of one year, subject to the provision of retirement and rotation of the Directors under the Articles. The non-executive Director and each of the independent non-executive Directors respectively has entered into a letter of appointment with the Company for an initial fixed term of three years commencing from 2 May 2019 and renewable automatically for successive terms of three years, subject to the provision of retirement and rotation of the Directors under the Articles. According to article 84 of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that each Director is subject to retirement by rotation at least once every three years but is eligible for re-election at an annual general meeting in accordance with the Articles.

Article 83(3) of the Articles specifies that any Directors appointed by the Board to fill a casual vacancy on the Board or as an additional Director to the existing Board shall hold office only until the next following annual general meeting of the Company after his appointment and shall then be eligible for re-election.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service agreement or letter of appointment with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation. The Company has also taken out Directors' and officers' liabilities insurance with effect from the Listing Date.

Independent Non-executive Directors

During the Relevant Period, the Board comprised of six members, three of which are independent non-executive Directors, which represented more than one-third of the Board. As such, the Company has fully complied with Rules 5.05(1) and 5.05A of the GEM Listing Rules. Mr. Lo Chi Wang, our independent non-executive Director, is a certified public accountant with more than 22 years of experience in professional accounting. Accordingly, the Company has fully complied with Rule 5.05(2) of the GEM Listing Rules. For more details regarding the qualifications of Mr. Lo Chi Wang, please refer to the section headed "Biographical Details of Directors and Senior Management" of this annual report.

Corporate Governance Report

As at the date of this report, there was no independent non-executive Director serving the Group for more than nine years. Besides, the Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 5.09 of the GEM Listing Rules, and the Company is of the view that all independent non-executive Directors fulfil the relevant independence requirements.

Continuous Professional Development of Directors

Pursuant to code provision C.1.4 of the CG Code, all Directors should participate in continuous professional development programmes to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 March 2024, all Directors, namely Mr. Chung Chau Kan, Mr. Wong Wing Hoi, Mr. Wei Ming, Mr. Lo Chi Wang, Mr. Moo Kai Pong and Mr. Wu Kin San Alfred, have participated in continuous professional development by attending a training session in respect of the global investment outlook. They also from time to time received from the Company updates on laws, rules and regulations which may be relevant to their roles, duties and functions as directors of a listed company.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Directors recognise the importance of good corporate governance in management and internal control procedures so as to achieve effective accountability. During the Relevant Period, Mr. Wei Ming was the Chairman, and Mr. Chung Chau Kan was the Chief Executive Officer. The Chairman provides leadership for the Board and the Chief Executive Officer is responsible for day-to-day management of business. Their respective responsibilities are clearly established and set out in writing. The Group has fully complied with code provision C.2 of the CG Code.

BOARD COMMITTEES

In order to assist the Board in discharging its duties in a more efficient manner, the Board has established, with written terms of reference, three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties. The written terms of reference for each Board committee are in compliance with the GEM Listing Rules and they are published on the websites of the Stock Exchange and the Company accordingly.

Audit Committee

The Company established the Audit Committee on 29 March 2019 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and code provision D.3.3 of the CG Code have been adopted. The primary duties of the Audit Committee are mainly to make recommendations to the Board on appointment, reappointment and removal of the external auditor, review and supervise the financial reporting process and the financial controls, internal control and risk management systems of the Company.

The Audit Committee consists of three independent non-executive Directors, being Mr. Lo Chi Wang, Mr. Moo Kai Pong and Mr. Wu Kin San Alfred. Mr. Lo Chi Wang is the chairman of the Audit Committee.

The Group's audited consolidated annual results for the years ended 31 March 2024 and 2023, unaudited condensed consolidated interim results for the six months ended 30 September 2023 and unaudited condensed consolidated quarterly results for the three months ended 30 June 2023, the accounting policies and practices adopted by the Group, and the Group's financial reporting, risk management and internal control matters have been reviewed by the Audit Committee. During the Relevant Period, four Audit Committee meetings were held and the details of attendance of each Audit Committee member are set out in the section headed "Board Meetings and Attendance Records of Directors" on pages 36 to 37 of this report.

Corporate Governance Report

Nomination Committee

The Company established the Nomination Committee on 29 March 2019 in compliance with Rule 5.36A of the GEM Listing Rules. Written terms of reference in compliance with code provision B.3.1 of the CG Code have been adopted. The primary duties of the Nomination Committee are (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy; (ii) to identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) to assess the independence of independent non-executive Directors; and (iv) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning of Directors, in particular the Chairman and the Chief Executive Officer of the Company.

The Nomination Committee consists of one non-executive Director and two independent non-executive Directors, being Mr. Wei Ming, Mr. Moo Kai Pong and Mr. Wu Kin San Alfred, respectively. Mr. Wei Ming is the chairman of the Nomination Committee.

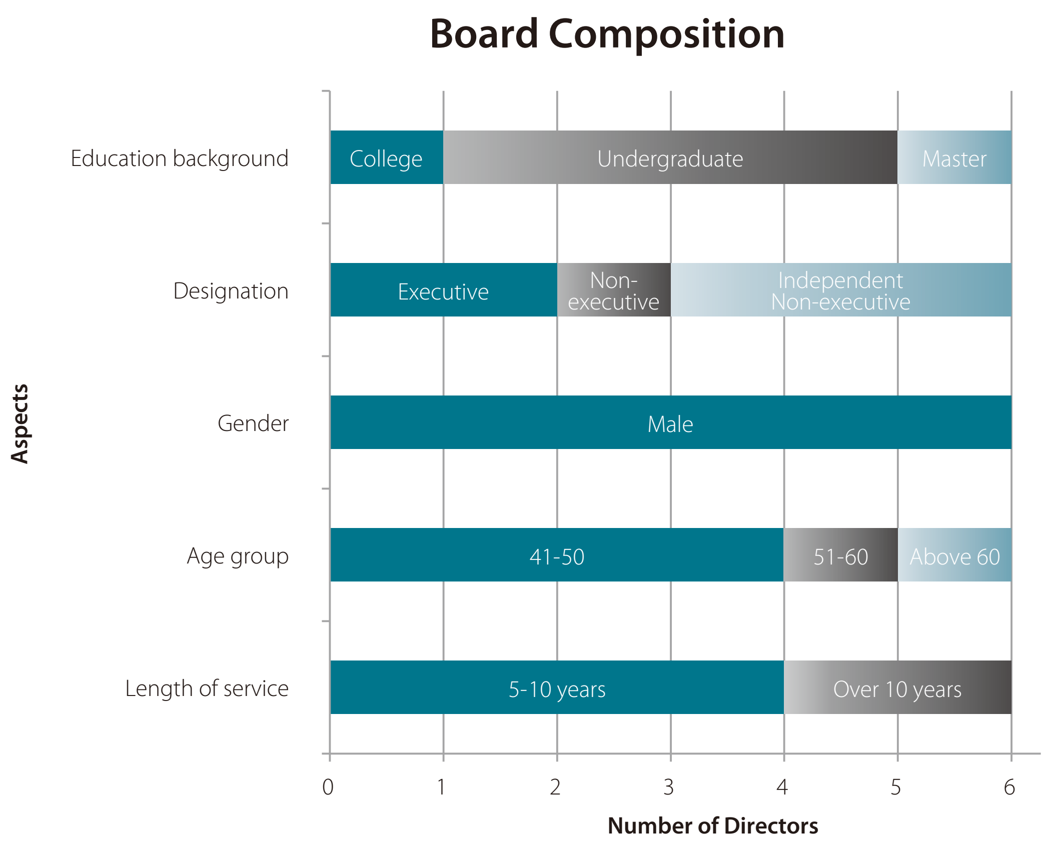
The Board recognises the importance of its diversity in relation to its business, and adopted a board diversity policy (the "**Board Diversity Policy**") on 11 April 2019. The Board considered the diversity of the Board can be achieved through the consideration of a number of aspects when selecting candidates, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Except gender diversity, the above objective has been achieved during the Relevant Period. The Group will endeavor to appoint at least one female director by 31 December 2024.

The Nomination Committee will deploy multiple channels to identify suitable candidates as Directors, including referral from Directors, shareholders, management, advisors of the Company and external agents as and when appropriate. The Board is committed to further enhancing gender diversity as and when suitable candidates are identified. Gender diversity in the workforce (including the senior management of the Group) is disclosed under the "Environmental, Social and Governance Report" on pages 43 to 59 of this report. Due to the nature of industry in which the Group operates, traditionally, the industry has been in short of female talents. The Group will continue to take opportunities to increase the proportion of female workforce over time as and when suitable candidates are identified.

All Board appointments will be based on meritocracy, and will be considered against objective criteria, having due regard for the benefits of having diversity on the Board. The ultimate decision of Board appointment will be based on the reputation of, and contribution that the selected candidates will bring to the Board. The Nomination Committee will review the implementation and effectiveness of the Board Diversity Policy on an annual basis and discuss any revisions that might be required, and recommend to the Board for consideration and approval.

Corporate Governance Report

As at the date of this report, the Board's composition under certain diversified perspectives was summarised as follows:



During the Relevant Period, two Nomination Committee meetings were held and the details of attendance of each Nomination Committee member are set out in the section headed "Board Meetings and Attendance Records of Directors" on pages 36 to 37 of this report. During the Nomination Committee meetings, the Nomination Committee (i) reviewed, among other things, the independence of the independent non-executive Directors; (ii) considered the qualifications of the retiring Directors standing for re-election at the forthcoming annual general meeting; (iii) reviewed the structure, size and composition of the Board; and (iv) reviewed the Board Diversity Policy adopted by the Company. In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider various factors including the candidate's character, qualifications, experience, gender, age, cultural and educational background, skills, knowledge, independence (where applicable) and other relevant criteria necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board.Having reviewed the composition of the Board, except gender diversity which the Board endeavors to appoint at least one female director by 31 December 2024, the Nomination Committee considered that there is an appropriate balance of board diversity.

Remuneration Committee

The Company established the Remuneration Committee on 29 March 2019 in compliance with Rule 5.34 of the GEM Listing Rules. Written terms of reference in compliance with Rule 5.35 of the GEM Listing Rules and code provision E.1.2 of the CG Code and the model under code provision E.1.2(c)(ii) of the CG Code have been adopted. The primary duties of the Remuneration Committee are mainly to make recommendations to the Board on the remuneration policy and the structure relating to all Directors and senior management of the Group, to assess the performance of the executive Directors and to approve the terms of their service contracts, review and make recommendations to the Board on the remuneration packages of the Directors and senior management of the Group, approve matters in relation to share schemes under Chapter 23 of the GEM Listing Rules and ensure none of the Directors or any of their associates determine that Director's own remuneration. The Remuneration Committee shall consult the Chairman and/ or Chief Executive Officer about their remuneration proposals for other executive Directors. No Directors or any of his associates were involved in deciding that Director's own remuneration. During the year ended 31 March 2024, there were no material matters relating to the Share Option Scheme which required review or approval by the Remuneration Committee.

Corporate Governance Report

The Remuneration Committee consists of two independent non-executive Directors and one executive Director, being Mr. Moo Kai Pong, Mr. Wu Kin San Alfred and Mr. Chung Chau Kan, respectively. Mr. Moo Kai Pong is the chairman of the Remuneration Committee.

During the Relevant Period, three Remuneration Committee meetings were held and the details of attendance of each Remuneration Committee member are set out in the section headed "Board Meetings and Attendance Records of Directors" on pages 36 to 37 of this report. During the Remuneration Committee meetings, the Remuneration Committee reviewed the remuneration of the Directors and senior management of the Group.

Pursuant to code provision E.1.5 of the CG Code, details of the remuneration of the senior management (other than Directors) by band for the year ended 31 March 2024 are as follows:

	Number of employees Year ended 31 March	
	2024	2023
Nil to HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**–**	–

Corporate Governance Functions

The Board as a whole is responsible for performing the corporate governance functions set out in code provision A.2.1 of the CG Code, namely:

(i) to develop and review the Company's policies and practices on corporate governance;

(ii) to review and monitor the training and continuous professional development of Directors and senior management;

(iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(iv) to develop, review and monitor the code of conduct and compliance manual (including in relation to securities trading) applicable to employees and Directors; and

(v) to review the Company's compliance with the CG Code and disclosure in the CG Report in the Company's annual reports.

In the Board meeting held on 20 June 2024, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of Rules 5.48 to 5.67 of the GEM Listing Rules (the "**Securities Transactions Code**"), the Company's compliance with the CG Code and disclosures in this CG Report.

Each Director has confirmed that he can give sufficient time and attention to the Company's affairs, and has regularly provided information on the number and nature of offices held in public companies or organisations and other significant commitments, including the identity of such companies or organisations and an indication of the time involved.

Board Meetings and Attendance Records of Directors

Code provision C.5.1 of the CG Code states that the Board should meet regularly and Board meetings should be held at least four times each year at approximately quarterly intervals with active participation of a majority of Directors, either in person or through electronic means of communication. During the Relevant Period, seven Board meetings were held.

Corporate Governance Report

The attendance record of each of the Directors at the Board meetings, committee meetings and annual general meeting held during the Relevant Period is set out in the table below:

	Attendance/Number of Meeting				
Name of Director	Board Meeting	Audit Committee	Nomination Committee	Remuneration Committee	Annual General Meeting
Mr. Chung Chau Kan	7/7	N/A	N/A	3/3	1/1
Mr. Wong Wing Hoi	7/7	N/A	N/A	N/A	1/1
Mr. Wei Ming	7/7	N/A	2/2	N/A	1/1
Mr. Moo Kai Pong	7/7	4/4	2/2	3/3	1/1
Mr. Lo Chi Wang	7/7	4/4	N/A	N/A	1/1
Mr. Wu Kin San Alfred	7/7	4/4	2/2	3/3	1/1

Apart from the Board meetings, the Chairman also held two meetings with the independent non-executive Directors without the presence of the executive Directors during the Relevant Period.

The Company has put in place mechanism to ensure independent views and input are made available to the Board. This is achieved by giving directors access to external independent professional advice from legal advisers and auditor, as well as the full attendance of all independent non-executive Directors at all the meetings of the Board and its relevant committees held during the Relevant Period.

COMPANY SECRETARY

In compliance with Rule 5.15 of the GEM Listing Rules, Ms. Lee Wing Yin ("**Ms. Lee**"), the company secretary of the Company, had undertaken not less than 15 hours of relevant professional training to update her skills and knowledge during the year ended 31 March 2024. For details of Ms. Lee's qualifications, please refer to the section headed "Biographical Details of Directors and Senior Management" of this report.

NOMINATION POLICY

The Board has adopted a Directors nomination policy (the "**Nomination Policy**") which aims to:

- set out the criteria and process in the nomination and appointment of Directors;
- ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company; and
- ensure the Board's continuity and appropriate leadership at Board level.

Criteria

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:

- character, reputation and integrity;
- qualifications, experience and accomplishments, including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;
- requirement for the Board to have independent directors in accordance with the GEM Listing Rules and whether the candidates would be considered independent by reference to the independence guidelines set out in the GEM Listing Rules;
- the Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;

Corporate Governance Report

- any other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning; and

- such other perspectives appropriate to the Company's business.

Nomination Procedures

(A) Appointment of New Director and Election of Director at General Meeting

(i) The Nomination Committee shall, upon receipt of the proposal on appointment of a new Director, review the biographical information (or relevant details) of such candidate and evaluate such candidate based on the criteria as set out in above paragraph of "Criteria" to determine whether such candidate is qualified for directorship.

(ii) The Nomination Committee may request such candidate to provide additional information and documents, if considered necessary.

(iii) If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company (including but not limited to ensuring that the Board has a balance of skills, experience and diversity of perspectives) and reference check of each candidate (where applicable).

(iv) The Nomination Committee shall then recommend appointment of the appropriate candidate for directorship and the candidate shall provide his/her written consent (a) to be appointed as a Director, and (b) to the public disclosure of his/her personal data on any documents or the relevant websites for the purpose of or in relation to his/her standing for election as a Director.

(v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such candidate based on the above paragraph of "Criteria" to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to the Shareholders in respect of the proposed election of Director at the general meeting.

(vi) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

(B) Re-Election of Director at General Meeting

(i) Retiring Directors are eligible for nomination by the Board to stand for re-election at a general meeting of the Company.

(ii) The Nomination Committee shall review the retiring Director's overall contribution and service to the Company, including his/her attendance of Board meetings and committee meetings and, where applicable, general meetings, and his/her level of participation and performance on the Board.

(iii) The Nomination Committee shall also review and determine whether the retiring Director continues to meet the criteria as set out in above paragraph.

(iv) The Nomination Committee and/or the Board shall then make recommendation to the Shareholders in respect of the proposed re-election of the Director at the general meeting.

(v) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for re-election at any general meeting.

Corporate Governance Report

Regular Review

The Nomination Committee will conduct regular review on:

(i) the effectiveness of the Nomination Policy to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and

(ii) the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

DIRECTORS' SECURITIES TRANSACTIONS

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 the Securities Transactions Code.

Specific enquiry has been made with all the Directors and each of the Directors has confirmed that they have complied with the Securities Transactions Code throughout the Relevant Period.

During the Relevant Period, the Company is not aware of any incident of non-compliance of the Securities Transactions Code by the Directors.

DIRECTORS' AND AUDITORS' RESPONSIBILITY IN PREPARING THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements in accordance with the Hong Kong Financial Reporting Standards issued by the HKICPA and the disclosure requirements of the Companies Ordinance, which give a true and fair view of the state of affairs, profit or loss and cash flow of the Group on a going concern basis.

The Directors acknowledge their responsibility for the preparation of consolidated financial statements of the Group for the year ended 31 March 2024. The statements of the Directors' responsibilities for preparing the consolidated financial statements of the Group and external auditors' responsibilities for the audit of the consolidated financial statements are set out in the "Independent Auditor's Report" in this report. There are no material uncertainties relating to events or conditions which would significantly cast doubt over the Company's ability to operate as a going concern.

AUDITOR'S REMUNERATION

The fees paid or payable to the external auditor of the Group, Baker Tilly Hong Kong Limited, for the year ended 31 March 2024 are as follows:

Services rendered	Fees paid/payable HK$'000
Audit services	560
Non-audit service	–

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for the effectiveness of the Group's risk management and internal control systems in order to safeguard the Group's assets and the Shareholders' interests and conduct a review on an annual basis. The main features of the risk management and internal control systems of the Group include:

(i) the identification of potential risks;

(ii) the assessment and evaluation of risks;

(iii) the development and continuous updating of mitigation measures; and

(iv) the ongoing review of internal control procedures to ensure their effectiveness in respect of the Group's financial, operational, compliance controls and risk management functions.

Corporate Governance Report

In order to protect the Group's assets against improper use and ensure compliance with applicable laws, rules and regulations, the Group has also established organisational structure within such risk management and internal control systems by clearly defining the power and obligations of each department in the Group. The risk management and internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

Process Used to Identify, Evaluate and Manage Significant Risks

The Group's risk management process involves the identification, evaluation, response, monitoring and reporting of risks. After having successfully identified the risks that may potentially affect the Group's business and operations by the management of the Company, the Board will perform risk assessment by prioritising the risks identified to determine those key risks that the Group is exposed to and discuss mitigation measures. Besides, existing risk mitigation measures are subject to regular monitoring and review by the management of the Company, which will review the Group's risk management strategies, report such results and make appropriate suggestions to the Board.

For the purpose of the Listing, the Group engaged an independent external consulting firm as the Group's internal control adviser (the "**Internal Control Adviser**") to undertake a review on, among others, the internal control system on (i) entity-level controls; (ii) sales and receivables; (iii) procurement, payments and fixed asset management; (iv) information systems controls (including IT serial controls for key financial reporting system); (v) cash and treasury management; (vi) financial reporting and disclosure controls; (vii) human resources; (viii) taxation; and (ix) IP. The Group did not appoint any Internal Control Adviser during the Relevant Period. Our management is of the view that our internal control system has not changed since the Listing Date and it remains effective in all aspects. The Board reviewed the effectiveness of the risk management and internal control systems for the Relevant Period at the Board meeting held on 20 June 2024, and is of the opinion that the Group's risk management and internal control systems are effective and adequate and that nothing has come to its attention to cause the Board to believe the Group's risk management and internal control systems are inadequate. The Board and the Audit Committee will reconsider the need for engaging an internal control adviser next year.

The Group does not have an internal audit function and the Audit Committee is of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The Board and the Audit Committee will review the need for an internal audit function from time to time.

Handling and Dissemination of Inside Information

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of its relevant obligations under the SFO and the GEM Listing Rules. The Group adopts and implements an information disclosure policy and procedures in order to protect inside information from unauthorised and inaccurate disclosure.

The Group has strictly prohibited unauthorised use of confidential or inside information. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Chairman and the chief financial officer to decide on the need for disclosure. The Audit Committee regularly reviews and assesses the effectiveness of the information disclosure policy and procedures and proposes recommendations to the Board.

Corporate Governance Report

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide a forum for the Shareholders to exchange views directly with the Board. Subject to provisions of the applicable laws in the Cayman Islands and GEM Listing Rules, an annual general meeting of the Company is held each year and at the venue to be determined by the Board. Each general meeting, other than an annual general meeting, is called an extraordinary general meeting ("**EGM**").

Rights to Convene EGMs and Procedures

Pursuant to article 58 of the Articles, the Board may, whenever it thinks fit, convene an EGM. Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings of the Company shall have the right, by written requisition to the Board or the company secretary, to require an EGM to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. The requisition must be deposited at the registered office or the head office of the Company.

If within 21 days of such deposit, the Board fails to proceed to convene such EGM, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place, and all reasonable expenses incurred by the requisitionist(s) shall be reimbursed to requisitionist(s) by the Company.

Rights to Put Forward Proposals at General Meetings

The Board is not aware of any provisions under the Articles and the Companies Act allowing Shareholders to propose new resolutions at the general meetings. Subject to the provisions of the Articles, eligible Shareholders who wish to move a resolution may by means of requisition to convene an EGM following the procedures set out above.

Putting Forward Enquiries to the Board

To put forward any enquiries to the Board, Shareholders may send written enquiries to the Company with sufficient contact details. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	Office E, 17th Floor, EGL Tower, No. 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong
Fax:	+852 2851 0017
Email:	investor@novacontechgroup.com

Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor's understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries.

The Company maintains a website at www.novacontechgroup.com as a communication platform with the Shareholders and potential investors, where the latest business development, financial information and other relevant information of the Company are available for public access. The information on the Company's website is updated on a regular basis in order to maintain a high level of transparency.

Information released by the Company, including but not limited to, the quarterly (if any), interim and annual reports, notices, announcements and circulars will also be posted onto the Stock Exchange's website at the same time.

The Board has reviewed the implementation and effectiveness of the Shareholders' communication policy of the Company for the year ended 31 March 2024, and is of the view that, through the various communication channels including but not limited to (a) holding of annual general meetings; (b) timely dissemination of information on the Company's website and the Stock Exchange's website; and (c) various manners to put forward enquiries to the Board as set out above, the Shareholders' communication policy had been properly and effectively implemented during the year ended 31 March 2024.

CONSTITUTIONAL DOCUMENTS

Pursuant to Rule 17.102 of the GEM Listing Rules, the Company has published its latest memorandum of association and the Articles on the respective websites of the Stock Exchange and the Company.

There were no changes in the Company's memorandum of association and the Articles during the Relevant Period.

Environmental, Social and Governance Report

INTRODUCTION

The Group believes sustainability to be an essential element in their business success. The Group is committed to building an environmental-friendly corporation while maintaining high quality standards in the service and operations. The Board has overall responsibility and leads the Group's Environmental, Social and Governance ("**ESG**") strategy and has continued to drive appropriate measures and to ensure internal control systems are in place to address relevant ESG issues. This report highlights our ESG performance and refers to the ESG reporting principles set out in Appendix C2 of the GEM Listing Rules.

The Group believes that understanding the views of our stakeholders lay a solid foundation to the long-term growth and success of the Group. The Group continues to maintain an open dialogue with its stakeholders through staff briefing sessions, customer service channels, annual general meetings, regular supplier reviews, community donations, etc. to help better align business and sustainability strategy. With regular communication and interaction with stakeholders, the Group can better maintain a balance between its business practices and sustainability strategies in line with stakeholders' needs and expectations.

The Group's materiality assessment, which includes discussions on materiality aspects of ESG, indicates that, from its stakeholder's perspective, the areas "product responsibility", "anti-corruption", "health and safety" and "labour standards", in order of priority, are considered to be of most material areas and may have significant influence over the Group's ESG performance. If the key performance indicators ("**KPI(s)**") have been established, they must be measurable and applicable to valid comparisons under appropriate conditions. They must also be able to describe the purpose and impacts of quantitative information. This report has fully applied the principle of balance. This report has used consistent statistical methodologies to allow meaningful comparisons of related data over time. Any changes to the methods used are specified in this report.

This report covers the overall performance of the two subject areas, namely environmental and social aspects for the business operations of all entities (including the Group) operating in our office in Hong Kong during the year ended 31 March 2024. For corporate governance information, please refer to the "Corporate Governance Report" on pages 31 to 42 of this annual report.

REPORT PREPARATION

This report truthfully and objectively introduces how the Group fulfilled corporate social responsibility in the year ended 31 March 2024 and focuses on disclosing the information in the three major areas of environment, society and governance (ESG). This report reflects objective facts while disclosing positive and negative indicators.

(i) Materiality principle: This report identifies and responds to important social responsibility issues affecting the Group's sustainability based on stakeholder survey, data analysis, etc. In order to gain a better understanding of the expectations, perceptions and concerns of our stakeholders, we have engaged our management team and employees in identifying the Group's material ESG issues. With the identified material ESG aspects, we strive to ensure proper measures on significant issues are addressed adequately throughout our business activities.

(ii) Quantitative principle: The Group's quantitative KPIs are disclosed in this report.

(iii) Balance principle: This report provide an unbiased picture of the Group's performance.

(iv) Consistency principle: This report keeps indicators used in different reporting periods as consistent as possible and explains any changed indicators to present changes in key performance.

STATEMENT OF THE BOARD OF DIRECTORS

The Group and the Board attaches great importance to the development of ESG responsibility. We have established the ESG governance structure, and integrated ESG concepts into all aspects of our daily operations. The Board is responsible for the oversight, deliberation and decision-making of major ESG-related issues; the management comprehensively arranges the implementation of ESG strategies, prepares this report and reports to the Board.

Environmental, Social and Governance Report

To identify important ESG issues and determine management policies, the Group conducts the research and analysis of substantive issues once a year. By understanding the important issues of concern to internal and external stakeholders, the Board and senior management discuss and analyze the importance of each issue to the Group's social responsibility, and then determine the key issues and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues for this report and disclose them. In the year ended 31 March 2024, the Group and the Board paid great attention to ESG compliance, and continued to follow up the implementation of key ESG work with regular meetings to review progress made against ESG-related goals and targets.

In terms of setting ESG targets, the Group continued to improve its operation level while actively responding to national strategies, integrating the concept of green development into its own green operations and business activities, promoting economic transformation to the low-carbon mode, laying a sustainable foundation for the Group's long-term green operation goal.

STAKEHOLDER ENGAGEMENT

In relation to the Group's business operation and the ESG aspects, the Group places a high priority to its stakeholders and their feedback. To facilitate in understanding and addressing their key concerns, the Group maintains a close communication with its key stakeholders, including but not limited to investors and shareholders, government and regulatory authorities, customers, suppliers and contractors, employees, as well as non-government organisations ("**NGOs**") and the community.

The Group makes an assessment on stakeholders' expectations regularly through the diversification of the engagement methods and communication channels as shown below:

Stakeholder	Engagement Platform	Expectations
• Investors and shareholders	• General meetings and other shareholders' meetings • Announcements and circulars • Financial reports • Company website	• Return on investment • Corporate governance • Business compliance
• Government and regulatory authorities	• Written or electronic correspondences • Compliance inspections • Conferences and seminars	• Compliance with relevant laws and regulations • Stable business operations • Business ethics
• Customers	• Frequent communication by direct and virtual meetings • Customer feedback by email and telephone	• Protection of customer information • Customer satisfaction • Premium services
• Suppliers and contractors	• Frequent communication by direct and virtual meetings • Business correspondences	• Open and fair procurement • Stable business relationship
• Employees	• Training activities, and briefing sessions • Annual performance appraisal • Two-way dialogue	• Safe working environment • Career development • Remuneration and benefits
• NGOs and the community	• Company website • Charity and community activities • ESG reports	• Environmental issues awareness • Communities involvement • Giving back to society

Environmental, Social and Governance Report

The Group endeavours to collaborate with its stakeholders in improving its ESG performance and create greater value for the community and its sustainability.

MATERIALITY ASSESSMENT

To consider the feedback from various stakeholders on relevant ESG issues, the Group has assessed their importance to its businesses and stakeholders by summarising in below table:

ESG Index	Material ESG Issues	Materiality
A. Environmental		
A1: Emissions	Air Emissions	Low
	Greenhouse Gases Emissions	Medium
	Waste Management	Low
A2: Use of Resources	Energy Consumption	Medium
	Water Consumption	Medium
	Use of Packaging Material	Low
A3: The Environment and Natural Resources	Impact on the environment and natural resources	Low
A4: Climate Change	Impact of climate-related issues on the Group	Low
B. Social		
B1: Employment	Recruitment, Promotion and Dismissal	Medium
	Remuneration and Benefits	Medium
	Diversity and Equal Opportunity	Medium
B2: Health and Safety	Working environment	Medium
	Work-related fatalities and injuries	High
B3: Development and Training	Staff Development and Training	Medium
B4: Labour Standards	Prevention of child and forced labour	High
B5: Supply Chain Management	Fair and Open Procurement	Medium
	Environmental and social risks of the supply chain	Medium
	Promotion of environmental preferable products and services	Medium
B6: Product Responsibility	Product quality and customer complaints	High
	Advertising and labelling	Low
	Protection of IP rights	High
	Data privacy protection	High
B7: Anti-corruption	Whistleblowing policy and anti-corruption training	Medium
	Corrupt practices	High
B8: Community Investment	Community involvement and resources contribution	Medium

Environmental, Social and Governance Report

During year ended 31 March 2024, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues, and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

CONTACT US

We value your feedback and suggestion to help us improve our ESG performance. You are welcome to contact us by:

Address: Office E, 17th Floor, EGL Tower, No. 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong
Fax: +852 2851 0017
Email: investor@novacontechgroup.com

SECTION A. ENVIRONMENTAL

A1: Emissions

The Group is principally engaged in (i) development and provision of financial trading solutions; (ii) development and supply of resource allocation, planning, scheduling and management of software and services; and (iii) provision of bullion trading services. The nature of the Group's business does not involve direct emission of large amounts of polluted air, discharge of pollutants into water and land, and generation of hazardous and non-hazardous waste. Therefore, there are no laws and regulations related to air and greenhouse gas ("**GHG**")emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that have a significant impact on the Group. Due to the nature of the Group's business, the Group's daily operations mainly involve indirect GHG emissions, which are mainly due to the use of electricity, business travels and paper consumption in our office. In terms of energy consumption, carbon dioxide is the main GHG produced by the Group. The Group does not use other forms of energy and natural resources for its operation and it has no direct and significant impact on the environment.

Air Emissions

The principal business activity of the Group is (i) development and provision of financial trading solutions; (ii) development and supply of resource allocation, planning, scheduling and management of software and services; and (iii) provision of bullion trading services. The Group considers that its air emissions were not significant and is not aware of any material non-compliance of environmental laws and regulations during the year ended 31 March 2024.

GHG Emissions

The consumption of electricity at the office (Scope 2) is the major source of GHG emissions of the Group.

Scope 1 – Direct GHG Emissions

The Group is not aware of any direct GHG emissions during the year ended 31 March 2024.

Scope 2 – Energy Indirect GHG Emissions

Electricity consumption accounted for substantial portion of GHG emissions within the Group during the year ended 31 March 2024. The Group has formulated a series of policies and measures to achieve electricity conservation. Please refer to the paragraph headed "A2: Use of Resources – Energy Consumption" under this section of this report for details.

Scope 3 – Other Indirect GHG Emissions

Paper waste disposal accounted for the other indirect GHG emissions. The Group has encouraged our staff to reduce paper consumption.

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For the year ended 31 March 2024, the Group's quantitative information on GHG emissions and its intensity is as follows:

Indicator	Unit (Note 1)	2024	2023
Scope 1 – Direct GHG Emissions	tCO_2e	**–**	–
Scope 2 – Energy Indirect GHG Emissions			
• Electricity consumption	tCO_2e	**46.5**	44.0
Scope 3 – Other Indirect GHG Emissions	tCO_2e		
• Business Travel		**41.3**	–
• Paper Consumption		**0.4**	0.4
Total	tCO_2e	**88.2**	44.4
Total emission of GHG Intensity (Total emission of GHG per square feet ("**sq.ft.**") of floor area) (Note 2)	tCO_2e/sq. ft	**0.015**	0.008

Notes:

1. tCO_2e is defined as tonnes of carbon dioxide equivalent.

2. Intensity is measured by dividing each GHG emission by the total gross floor area of approximately 5,800 sq.ft. (2023: approximately 5,800 sq.ft.) of the Group's offices.

Business Air Travel

Business air travel is inevitable in some circumstances as the Group is seeking to expand its business beyond Hong Kong. Nevertheless, the staff of the Group travelled only when necessary and travelled in economy class to reduce carbon footprints. In the year ended 31 March 2024, 41.3 tCO_2e carbon emission from air travel was recorded as almost all services were delivered in Hong Kong notwithstanding that we had considerable number of overseas customers. In addition, in order to reduce carbon emissions from air travel, the Group encourages employees to use video conference calls and participate in online meetings.

Paper Consumption

The Group promotes the reduction of paper printing and encourages the use of electronic communications and electronic records. Single-sided printed paper is reused as draft paper or used to print internal documents. Notices have been posted in the office to remind employees to use paper wisely to reduce the consumption of paper. Besides, the Group does not use any packaging materials for its operations other than envelopes.

Our target is to keep the total emission of GHG intensity at a stable level with less than 10% increase each year. Employees' awareness of reducing paper consumption has continued to improve through the implementation of the above measures. However, the intensity of total emission of GHG has been increased by approximately 90% from 0.008 tCO_2e/sq. ft. for the year ended 31 March 2023 to 0.015 tCO_2e/sq. ft. for the year ended 31 March 2024 due to the increase in business travel upon the uplifting of travel restrictions.

Waste Management

Hazardous Waste Management

Due to the business nature of the Group, it did not generate a significant amount of hazardous waste during the year ended 31 March 2024.

Non-hazardous Waste Management

The Group adheres to the 5R's principle – Refuse, Reduce, Reuse, Repurpose and Recycle and is committed to proper management and disposal of the non-hazardous waste generated from its operations. The non-hazardous wastes generated by the Group's operations mainly consist of office paper. During the year ended 31 March 2024, the Group continued to use its best endeavours to educate its employees on the importance of reducing waste production. The Group strives to achieve the target of "reducing waste at source" by monitoring the consumption volume continuously.

For the year ended 31 March 2024, the Group's quantitative information on the performance of non-hazardous waste disposal and its intensity is as follows:

Category of waste	Unit	2024	2023
Total non-hazardous waste			
• Office paper	Tonnes	**0.083**	0.089
Intensity (per floor area)	Tonnes/sq. ft.	**0.000014**	0.000015

Note: Intensity is measured by dividing tonnes of paper waste by the total gross floor area of approximately 5,800 sq.ft. (2023: approximately 5,800 sq.ft.) of the Group's offices.

Our target is to reduce, or at most maintain the non-hazardous waste disposal intensity at a stable level with less than 10% increase each year. For the steps taken to achieve it, please refer to the paragraphs headed "Paper Consumption" and "Waste Management – Non-hazardous Waste Management" under this section of this report. The decrease in intensity of non-hazardous waste by approximately 7% from 0.000015 tonnes/sq.ft. for the year ended 31 March 2023 to 0.000014 tonnes/sq.ft. for the year ended 31 March 2024 is due to the reduction in office paper used.

A2: Use of Resources

The Group continues with its initiative to introduce several measures to reduce environmental impact arising from its business operations by promoting the awareness of resources conservation and efficient utilization of resources to our employees.

Energy Consumption

As a responsible environmental company, our goal is to reduce emission of GHG and energy consumption as much as possible. The Group's energy consumption is mainly composed of electricity consumption. In order to avoid excessive energy consumption, the Group has implemented a number of measures to reduce the use of electricity as follows:

- Staff are required to turn on power saving mode for computers, printers and monitors when idle;
- Staff are required to switch off lighting, printers, air conditioners and computers by the end of the working day; and
- We maintain the office room temperature at 25 degrees Celsius.

Our target is to reduce, or at most keep the electricity consumption intensity at a stable level with less than 10% increase each year. Through the implementation of such measures, employees' awareness of reducing energy consumption has continued to improve. The intensity of total energy consumption in the year ended 31 March 2024 has decreased by approximately 7% from that of the year ended 31 March 2023.

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For the year ended 31 March 2024, the total electricity consumption and its intensity is as follows:

Types of energy	Unit	2024	2023
Total Energy Consumption			
• Direct Energy Consumption	kWh	**–**	–
• Indirect Energy Consumption – Electricity	kWh	**85,724**	79,916
Total	kWh	**85,724**	79,916
Intensity (per floor area)	kWh/sq. ft	**15**	14

Water Consumption

Water consumption is used primarily for two purposes, drinking water and daily cleaning. There is no running water facility in our office. Water consumed is mainly municipal water supplied by the Water Supplies Department. We did not encounter any problems in terms of sourcing water that is fit for purpose during the year ended 31 March 2024. Our Group considers our consumption of water is insignificant. Our target is to keep the water consumption intensity at a stable level with less than 10% increase each year. During the year ended 31 March 2024, the Group ordered distilled water from suppliers for staff's drinking along with issuing a notice to remind employees to cherish drinking water. The decrease in intensity by approximately 14% from 0.0014 m^3/sq.ft. for the year ended 31 March 2023 to 0.0012 m^3/sq.ft. for the year ended 31 March 2024 is due to the decrease in number of staff.

For the year ended 31 March 2024, the total water consumption performance and its intensity of the Group is as follows:

Water Consumption	2024	2023
Water consumption (m^3)	**7.13**	8.30
Intensity (per floor area m^3/sq. ft.)	**0.0012**	0.0014

Use of Packaging Material

Given the business nature of the Group, the Group does not use packaging material in the sale of products or services in our daily operation during the year ended 31 March 2024. However, we encourage our suppliers to use less packaging material during the transportation of the hardware/software.

A3: The Environment and Natural Resources

Although the business of the Group has a limited adverse impact on the environment and natural resources, as an ongoing commitment to good corporate social responsibility, the Group recognises its responsibility in minimizing negative environmental impacts in its operations in order to achieve sustainable development and to generate the greatest value for our stakeholders and our community in long term. We strives to enhance the awareness among employees to participate in different kinds of recycling activities and minimizing the use of natural resources.

The Group regularly assesses the environmental risks of its business and implements preventive measures to reduce the risks in ensuring relevant laws and regulations are complied.

A4: Climate Change

Since our major business operation is carried out in office premises, climate change does not have direct significant impact on our business. The Group may experience productivity loss due to increase in extreme weather conditions, such as typhoons, heavy rain and sudden flash flood. The Group will review the existing measures for adverse weather conditions and ensure the safety of the employees.

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Regarding energy use and reducing carbon emissions to address climate change, the Group has taken effective measures to create an atmosphere of energy saving and carbon reduction to cope with the impact of climate change. We are constantly improving the level of energy management, and have taken targeted measures to promote energy saving and emission reduction in the main energy consumption aspects such as electricity consumption in office. The management has issued notice to remind the employees to turn off idle laptop, lights and air-conditioner after working hours.

As green office has become an inevitable choice in the low-carbon era, the Group actively advocates green management and green operation, and consciously integrates the concept of green development into its business and daily operations. In the year ended 31 March 2024, the Group promoted paperless transformation in its services and daily operations. We held meetings by means of video and telephone conference, and conducted electronic process and approval through online approval system, e-mail, online teams meeting and so on, effectively reducing dependence on resources while improving management efficiency.

The Group targets to keep the intensity of GHG emissions, waste consumption and electricity consumption at a stable level with less than 10% increase each year.

SECTION B. SOCIAL

B1: Employment

The Group develops employment policies regarding recruitment, compensation, promotion, dismissal, leave entitlements and other benefits and welfare. Employment and benefits provisions are communicated to staff through our employee handbook. The Group is committed to creating an equal opportunity and a diverse work environment. All staff is assessed, recruited, promoted or dismissed on the basis of their performance without discrimination against age, gender, pregnancy, disability, race, marital status or family status. The Group targets to maintain zero incidents of discrimination and harassment.

During the year ended 31 March 2024, the Group was not aware of any non-compliance with relevant laws and regulations that would have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong), the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong).

As at 31 March 2024, the Group had 40 full-time employees, 33 of which are located in Hong Kong and 7 are located in PRC. Approximately 80% of the employees were male and 20% were female. No part-time employees were hired as at 31 March 2024.

As at 31 March 2024, the staff gender and age distribution by position is as follows:

Position	No. of Employee	Male	Female	Aged under 30	Aged 30 to 40	Aged 41 to 50	Aged over 50
Manager	10	9	1	–	5	5	–
General staff	30	23	7	9	17	3	1

Staff turnover and turnover rate during the year ended 31 March 2024 is as follows:

Position	No. of Employee	Male	Female	Aged under 30	Aged 30 to 40	Aged 41 to 50	Aged over 50
New Staff	4	4	–	–	1	2	1
Staff turnover	20	18	2	9	9	2	–
Staff turnover rate		56%	25%	100%	41%	25%	0%

As at 31 March 2024, the staff turnover rate by geographical region is as follows:

Position	No. of Employee	Male	Female	Hong Kong	PRC
New staff	4	4	0	4	0
Staff turnover	20	18	2	19	1
Staff turnover rate		56%	25%	58%	14%

Note: Staff turnover rate is calculated by dividing number of staff turnover during the year in their specified categories over the average number of employees at the beginning and end of that year in their specified categories.

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B2: Health and Safety

The Group provides a safe and healthy working environment for its employees and takes all reasonable steps to prevent accidents and injuries during their work. There is a first aid kit in the office. The Group also provides medical and dental insurance for permanent employees. The Company belongs to the financial industry and does not involve occupational disease hazards such as dust, noise and radioactive substances. The health and safety policy of the Group states that one of the prime responsibilities of the management at all levels is to ensure all reasonably practicable actions are taken to comply with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and the policy itself.

The Group aims to ensure the health and safety at work of the employees as required under the Occupational Safety and Health Ordinance by carrying out various reasonable steps to prevent injuries, including providing adjustable working chairs and sufficient storage space for spacious working area, maintaining office equipment, and placing objects and stationery at easily reachable and convenient locations. Such measures are subject to regular review by the Group's management and are adjusted to reflect any influencing internal and external factors as and when necessary.

During the year ended 31 March 2024, the Group was not aware of any non-compliance with relevant laws and regulations that would have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards. There were no work-related fatalities or lost days due to work injury for the years ended 31 March 2022, 2023 and 2024.

B3: Development and Training

The Group provides regular training to employees to ensure they have the appropriate skills to handle their daily job responsibilities. The Group arranges and designs the trainings according to the roles and responsibilities of the employees, mainly on IT, risk management, corporate governance, etc. The Group also updates the employees on the latest information of the industry and the laws and regulations which are essential to the Group's operation and their job responsibilities from time to time. Employees are encouraged to participate in a variety of self-development skill training courses tailored to both general and managerial staff, such as e-Seminars, which aim to regularly keep their IT technical knowledge up-to-date. The Group also sponsors employees to participate in external training courses required for their work, such as courses which aim to improve knowledge on labour law and companies law, etc. The Group also encourages team leaders to work closely with employees in order to allow the management to better understand each individual employee's development needs. Besides, the Group provides induction training for new employees. Experienced employees will act as mentors to guide the new comers on their job responsibilities.

Details related to development and training are as follows:

No. of employees trained	Male	Female
Manager	9	1
General staff	23	7

Percentage of employees trained	Male	Female
Manager	23%	3%
General staff	58%	18%

Average training hours completed per employee	Male	Female
Manager	6.2	1
General staff	17.8	28.3

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B4: Labour Standards

The Group strictly complies with the labour legislations such as the Employment Ordinance on prevention of child and forced labour. There was no child nor forced labour in the Group's operation during the year ended 31 March 2024. During the recruitment process, there is a procedure for collecting and reviewing identity and age verification documents in order to ensure that the Group abides by the relevant labour legislations. Any candidates who are under the legal working age and/or provide false identity proof and documents will not be employed by the Group and the Group may report any illegal incidents to the relevant governmental authorities if discovered. The Group was not aware of any non-compliance with laws and regulations that would have a significant impact on the Group relating to preventing child and forced labour during the year ended 31 March 2024.

B5: Supply Chain Management

The Group maintains long term and stable relationships with its major suppliers. All suppliers are carefully evaluated and regularly monitored after contract ended based on a number of factors, including their price, scope of services, quality of products and services and their technical capabilities. Apart from the evaluation and monitory process, we manage the supply chain risk through quality controls of suppliers. Please refer to the below table for details.

Type of supplier	Implemented practice	Quality control
• Data center service providers (for placement of physical servers)	✓	For each server rack and line installation, our engineers will work with our suppliers to check if the connectivity is compatible. We are entitled to contact our suppliers at any given time in case of any technical problems concerning network connectivity. We and the suppliers will work closely to monitor the leased server rack and line setup.
• Computer network and data service provider (for cloud-based servers)	✓	
• Data line vendors	✓	
• News feed providers	✓	Our developer will verify that the news feed and financial market information are the same as what we have subscribed for.
• Financial market information providers	✓	

The number of suppliers by geographical region for the year ended 31 March 2024 is shown as below:

	2024	2023
Hong Kong	**9**	7
Spain	**1**	1
United States	**4**	4
Russian	**1**	–
PRC	**1**	–
	16	12

Having regard to the business nature and the materiality assessment of the Group, the major suppliers are not considered to impose significant environmental and social risks to the Group's business operations. During the process of selecting suppliers, we remind our staff to choose environmentally preferable products and services, LED lights in our office is one of the examples, and our management shall regularly review the environmental friendliness of the sourced products and services. All of the above 16 suppliers are subject to relevant supply chain policies and practices relating to engaging suppliers mentioned above. The Group shall regularly review the relevant policies and practices to ensure their effectiveness. During the year ended 31 March 2024, the Group was not aware of any major suppliers' practices that had a significant negative impact on business ethics, environmental protection, human rights and labour practices.

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B6: Product Responsibility

Product responsibility is one of the Group's priorities. We are committed to delivering excellent customer services with high connectivity and reliability. During the year ended 31 March 2024, the Group was not aware of any cases of non-compliance with laws and regulations that would have a significant impact on the Group regarding health and safety, advertising and labelling related to products and services provided as required by relevant laws and regulations, including but not limited to the Supply of Services (Implied Terms) Ordinance (Cap. 457, Laws of Hong Kong) and the Personal Data (Privacy) Ordinance (Cap. 486, Laws of Hong Kong) and Trade Descriptions Ordinance (Cap. 362, Laws of Hong Kong).

The continuous support of our customers has always been one of the key factors for the success of the Group. Therefore, the Group is committed to providing quality service to its customers. Customer complaints (if any) will be reviewed and resolved by our competent technical team to the customers' satisfaction. If necessary, the team will also report complaints for follow-up actions. During the year ended 31 March 2024, the Group did not receive any cases of product or service-related complaints nor products subject to recalls for safety and health reasons.

Protection of IP Rights

The Group's policy is to respect IP rights and prohibit the use of infringing articles in the business. As such, the Group requires all employees to strictly follow the relevant laws such as the Copyright Ordinance (Chapter 528, Laws of Hong Kong). During the year ended 31 March 2024, the Group was not aware of any non-compliance with the relevant laws and regulations.

Additionally, the Group respects IP rights and therefore is committed to purchasing genuine copyrighted products such as computer software and firewalls. Fundamental guidelines are also provided to the employees to ensure they do not infringe upon any IP rights such as trademarks and copyrights. Disciplinary or legal actions may be taken against the employee should he/she be found to be in breach of such rights.

Quality Assurance and Recall

We conduct configuration checking, stress test, unit test and internal/external user acceptance test for our IT solutions to ensure the quality of our IT solutions provided to our customers. The completion of user acceptance test means that our customers are satisfying to use our IT solutions. Also, we aim to provide quality maintenance support services (e.g. timely respond to customers' query) to our customers. The Group may correct critical errors (if any) or assist to overcome specific software problems (if any) by patch or by new version as soonest as possible. The customer may terminate the service contract if they are not satisfied with our services. During the year ended 31 March 2024, there was not any product recalls nor termination of services from unsatisfactory product or service quality.

Data Privacy Protection

Protecting customer data privacy is a priority in our relationship with customers. The Group is committed to preventing customer data leakage or loss by adopting stringent physical security measures and good industry practices. The Group has a comprehensive security policy and security and confidentiality guideline to safeguard its assets and information in place, and requires its staff to comply with regulations in relation to physical security, access control security, data security, application security, network and communication, and password management.

Regarding data privacy, the Group requires its staff to follow the applicable laws such as Personal Data (Privacy) Ordinance when handling both customers' and the Group's internal personal data. Employees are required to undertake to keep all confidential information confidential upon the signing of contracts with customers, during and upon the termination of service, subject to the confidentiality terms prescribed in the particular contracts. For projects with the Hong Kong Government, the Group treats all information received pursuant to or in connection with the relevant contracts as confidential and undertakes to use the confidential information solely for the purposes of assignment contracts.

Due to the Group's business nature, the Group is not exposed to material advertising, labelling and health and safety-related risks.

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B7: Anti-corruption

The Group adheres to high standards of conduct and integrity. Each of our employees has an obligation and is encouraged to report concerns about any misconduct they have noticed, including but not limited to violations of legal or regulatory requirements, misconduct or fraud that may adversely affect the Group's reputation and image, as well as violations of the internal codes and guidelines of the Group. During the year ended 31 March 2024, the Group was not aware of any non-compliance with the relevant laws and regulations that would have a significant impact on the Group relating to bribery, extortion, fraud and money laundering. The relevant laws and regulations include, but are not limited to, the Prevention of Bribery Ordinance (Chapter 201, Laws of Hong Kong). During the year ended 31 March 2024, there was no concluded legal cases regarding corrupt practices brought against the Group or our employees.

We implement policies and procedures to minimise risks of fraud, corruption, bribery, extortion and money laundering. Our whistleblowing policy in place encourages our employees to report suspected irregularities to high level personnel in the Group's management, including direct reporting to the Chairman, Chief Executive Officer, the Board or the Audit Committee. Reporting can be conducted through various channels such as written reports or emails. For reported cases where an investigation is warranted, the outcomes and recommendations of the investigation will be reported to the Chairman and the Chief Executive Officer. Our policies and practices aim at treating all disclosures in a confidential and sensitive manner and protecting our employees from any form of intimidation and retaliation, and we regularly review the effectiveness of implementation of such policies and practices.

Principles of conduct and integrity are well conveyed to our employees through daily communication, seminars and training. Anti-corruption training material had been circulated among all Directors and employees of the Group during the year in accordance with the applicable laws of the relevant jurisdictions to enhance their knowledge and awareness on such issue. Our requirements on conduct and integrity are also communicated to our subcontractors (if any) and service providers who are expected to comply with the same.

B8: Community Investment

The Group always seeks to be a positive force in the communities in which it operates, and maintains close communication and interactions with the communities in order to contribute to local development from time to time.

The Group also supports and encourages all employees to take their own initiatives in volunteer works or charity activities for contributing to the building up of a harmonious and prosperous society. The Group has made charitable donation of approximately HK$2,000 during the year ended 31 March 2024 (2023: approximately HK$2,000) to a charitable organisation with a dedication to health and education.

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THE ESG REPORTING GUIDE CONTENT INDEX OF STOCK EXCHANGE

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Air and GHG Emissions, Business Air Travel, Waste Management
KPI A1.2	Direct (Scope 1), energy indirect (Scope 2) GHG emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	This KPI is not applicable as explained in Emissions – Waste Management – Hazardous Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management – Non-hazardous Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions – GHG Emissions, Business Air Travel, Paper Consumption
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Waste Management

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Energy Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	This KPI is not applicable as explained in Use of Resources – Use of Packaging Material
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B6.3	Description of practices relating to observing and protecting IP rights.	Product Responsibility – Protection of IP Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Assurance and Recall
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Data Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

Independent Auditor's Report

天職國際

Independent auditor's report to the shareholders of
Novacon Technology Group Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Novacon Technology Group Limited and its subsidiaries (together the "**Group**") set out on pages 67 to 127, which comprise the consolidated statement of financial position as at 31 March 2024, 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 material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2024 and of its consolidated financial performance and 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 "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

The Key Audit Matter	How the matter was addressed in our audit
Revenue recognition in relation to the provision of financial trading solutions and IT related services	
Refer to Notes 2.20, 4(a) and 5 to the consolidated financial statements	
For the year ended 31 March 2024, the Group recognised revenue of HK$19,576,000 from the provision of licensing and maintenance services, and initial set up and customisation services. Initial set up and customisation services, and licensing and maintenance services provided by the Group are agreed upon in a single revenue contract with customers. For the purposes of revenue recognition, these services are identified as separate performance obligations and the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Significant management's judgements and estimates are involved in the determination of the stand-alone selling prices for the allocation of the transaction price to reflect the prices at which the Group would sell the distinct services separately to the customers. In addition, revenue from initial set up and customisation services are recognised over time by using the input method based on costs incurred to measure the progress towards complete satisfaction of the performance obligation. Significant management's judgements and estimates are involved in the assumptions applied in the total budgeted contract costs for the input method. We focused on this area because the estimation of revenue recognition is subject to high degree of estimation uncertainty. The inherent risk in relation to the revenue recognition is considered significant due to its subjectivity and significant judgement involved.	Our audit procedures in this area included: • obtaining an understanding of the management's internal control and assessment process of revenue recognition; • assessing management's judgements and estimates used to determine the stand-alone selling price of each of the performance obligations and the budgeted costs of individual projects and evaluating the estimations with reference to comparable transactions in the market, if applicable; • evaluating and testing key controls over the estimated contract costs used in the input method by checking whether the total budgeted contract costs of the relevant projects are properly reviewed and approved by the management on a sample basis; • on a sample basis, obtaining the progress reports of the installation and customisation projects to check the progress of the selected projects, comparing with the progress of individual projects derived from input method and corroborating with interviews of the relevant project managers; • assessing management's historical estimation accuracy by comparing the budgeted contract costs to actual costs incurred for previously completed projects on a sample basis; and • on a sample basis, checking the total costs incurred as at the end of the reporting period of projects to the underlying documents, such as employees' payroll and timesheet records, supporting these costs. Based on the procedures performed, we considered the judgements and estimates made by management in relation to the revenue recognition were supportable by the available evidence.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

The Key Audit Matter	How the matter was addressed in our audit
Capitalisation of development costs incurred on computer software systems *Refer to Notes 2.7(b), 4(b) and 16 to the consolidated financial statements*	
The Group is principally engaged in the provision of computer software systems which are developed internally. Development costs incurred on computer software systems are capitalised as intangible assets when management assessed and concluded that all capitalisation criteria stated in Note 2.7(b) have been met. During the year ended 31 March 2024, the Group capitalised employee benefit costs of the research and development team amounting to HK$6,379,000 as "capitalised development costs" as set out in Note 16 to the consolidated financial statements. Significant management's judgements and estimates are involved in the determination of whether these software products could generate probable future economic benefits to the Group based on the historical experience and the prospects of the markets; and whether the employee benefit costs are appropriately identified for capitalisation and that such costs are appropriately associated with computer software systems in the development phase of production. We focused on this area because the estimation of assessing whether the capitalisation criteria set out in Note 2.7(b) to the consolidated financial statements have been met is subject to high degree of estimation uncertainty. The inherent risk in relation to this assessment is considered significant due to its complexity, subjectivity and significant judgement involved, in particular, whether the employee benefit costs are appropriately identified for capitalisation and that such costs are appropriately associated with computer software systems in the development phase of production.	Our audit procedures in this area included: • obtaining an understanding of the management's internal control and assessment process of capitalisation of development costs incurred on computer software systems; • evaluating and testing the key controls over management's authorisation of development of computer software systems and their subsequent review and approval of the fulfilment of capitalisation criteria and the capitalisation of the development costs of computer software systems; • understanding, evaluating and testing key controls over the allocation of staff costs among the computer software systems under development and approval of timesheet records to ensure staff costs associated with the respective computer software systems' development are appropriately identified for capitalisation; • assessing whether the development costs capitalised during the year fulfilled the capitalisation criteria, on a sample basis, by conducting the following: – obtaining the progress report, on a sample basis, and corroborated with interviews to demonstrate the costs capitalised fulfil the capitalisation criteria of the relevant project managers; – inspecting the correspondences with potential or existing customers to demonstrate the existence of demands on the new computer software systems and modules under development; and – inspecting the sales forecast prepared by the management and understanding the key assumptions to demonstrate how the new computer software systems and modules will generate probable future economic benefits; and • testing actual labour hours incurred and labour rates applied to respective computer software systems, by agreeing the details to timesheet and payroll records, which are reviewed and approved by management. Based on the above, we found that the judgement made by management in determining development costs to be capitalised were supportable by the available evidence.

Independent Auditor's Report

KEY AUDIT MATTERS (CONTINUED)

The Key Audit Matter	How the matter was addressed in our audit
Recoverability of trade receivables and contract assets	
Refer to Notes 2.9(d), 2.12, 3.1(b), 4(c), 5 and 18 to the consolidated financial statements	
As at 31 March 2024, the gross carrying amounts of trade receivables and contract assets amounted to HK$2,206,000 and HK$1,501,000, respectively, with loss allowance amounted to HK$46,000 and HK$32,000, respectively. In assessing the recoverability of trade receivables and contract assets, management estimated the collectability from customers after taking into account of their credit history, ageing profile and forward-looking estimates at the end of the reporting period. We focused on the area due to the significant judgements used to assess the impairment of trade receivables and contract assets.	Our audit procedures in this area included: • understanding, evaluating and validating the key controls relating to management's assessment on the expected credit loss of the trade receivables and contract assets, including ageing analysis review and review of collectability of these balances; • evaluating the management's assessment of the historical credit loss rates by sample checking inputs in respect of the assumption made, such as past settlement history by checking to the underlying bank pay-in slips on a sample basis; • evaluating the reasonableness of the forward-looking information used by the management against publicly available information and recalculated the amount of provision; and • testing the accuracy of the ageing profile of the trade receivables at the end of the reporting period to underlying invoices to customers on a sample basis. Based on the above, we found that the judgement made by management in performing impairment assessment of trade receivables and contract assets were supportable by the available evidence.

Independent Auditor's Report

OTHER INFORMATION

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

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

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

Independent Auditor's Report

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

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

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

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

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

– 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Independent Auditor's Report

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

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

The engagement director on the audit resulting in this independent auditor's report is Tong Wai Hang.

Baker Tilly Hong Kong Limited
Certified Public Accountants
Hong Kong, 20 June 2024
Tong Wai Hang
Practising certificate number P06231

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2024

(EXPRESSED IN HONG KONG DOLLARS)

	Note	2024 HK$'000	2023 HK$'000
Revenue	*5*	**22,791**	52,577
Other net income	*6*	**2,841**	1,826
Expenses			
License and subscription cost		**(1,343)**	(1,822)
Internet services cost		**(1,969)**	(3,436)
Employee benefit expenses	*7*	**(25,924)**	(22,790)
Depreciation of property and equipment	*14*	**(1,877)**	(1,966)
Depreciation of right-of-use assets	*15*	**(392)**	(369)
Amortisation of intangible assets	*16*	**(6,268)**	(6,045)
Reversal of impairment losses/(impairment losses) on financial and contract assets	*3.1(b)*	**422**	(4,619)
Bad debts written off		**(4,964)**	–
Impairment loss on intangible assets	*16*	**(770)**	–
Other expenses	*9*	**(5,811)**	(6,408)
Finance costs	*10*	**(8)**	(16)
(Loss)/profit before income tax		**(23,272)**	6,932
Income tax credit/(expense)	*11*	**296**	(1,221)
(Loss)/profit for the year		**(22,976)**	5,711
Other comprehensive loss for the year, net of tax			
Item that may be reclassified to profit or loss			
– Exchange differences on translation of a foreign operation		**(11)**	(1)
Total comprehensive (loss)/income attributable to owners of the Company for the year		**(22,987)**	5,710
(Loss)/earnings per share attributable to owners of the Company			
– Basic (expressed in HK cents per share)	*13*	**(5.74)**	1.43
– Diluted (expressed in HK cents per share)	*13*	**(5.74)**	1.43

The notes on pages 71 to 127 form part of the consolidated financial statements.

Consolidated Statement of Financial Position

AS AT 31 MARCH 2024

(EXPRESSED IN HONG KONG DOLLARS)

	Note	2024 HK$'000	2023 HK$'000
ASSETS			
Non-current assets			
Property and equipment	14	**29,119**	30,939
Right-of-use assets	15	**–**	499
Intangible assets	16	**21,005**	19,512
Deposits	18	**1,132**	1,215
Financial assets at fair value through profit or loss	31	**8,840**	7,625
Deferred income tax assets	28	**317**	92
		60,413	59,882
Current assets			
Trade receivables	18	**2,160**	7,581
Deposits, prepayment and other receivables	18	**1,092**	1,526
Contract assets	5	**1,469**	5,744
Cryptocurrencies	19	**165**	–
Derivative financial instruments	20	**2,984**	–
Balances due from agents	21	**1,885**	–
Cash and cash equivalents	22	**44,254**	61,415
Income tax recoverable		**963**	1,228
		54,972	77,494
Total assets		**115,385**	137,376
EQUITY			
Equity attributable to owners of the Company			
Share capital	23	**4,000**	4,000
Other reserves	25	**42,480**	44,632
Retained earnings		**59,852**	81,087
Total equity		**106,332**	129,719
LIABILITIES			
Non-current liabilities			
Deferred income tax liabilities	28	**357**	429
Lease liabilities	15	**–**	66
Provision for long service payments	29	**405**	–
		762	495
Current liabilities			
Accruals and other payables	26	**2,812**	3,841
Contract liabilities	5	**338**	2,596
Lease liabilities	15	**–**	438
Deposits received from clients	27	**5,141**	–
Income tax payable		**–**	287
		8,291	7,162
Total liabilities		**9,053**	7,657
Total equity and liabilities		**115,385**	137,376

The consolidated financial statements on pages 67 to 127 were approved by the board of directors on 20 June 2024 and were signed on its behalf:

Chung Chau Kan	**Wong Wing Hoi**
Director	*Director*

The notes on pages 71 to 127 form part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2024

(EXPRESSED IN HONG KONG DOLLARS)

	Attributable to owners of the Company				
	Share capital HK$'000 *(Note 23)*	Share premium HK$'000 *(Note 25)*	Other reserves HK$'000 *(Note 25)*	Retained earnings HK$'000	Total equity HK$'000
Balance at 1 April 2022	4,000	34,992	10,111	75,698	124,801
Total comprehensive income					
Profit for the year	–	–	–	5,711	5,711
Other comprehensive loss for the year	–	–	(1)	–	(1)
	–	–	(1)	5,711	5,710
Transaction with owners in their capacity as owners					
Dividends paid *(Note 30(b))*	–	–	–	(800)	(800)
Share-based payment expenses *(Note 24)*	–	–	8	–	8
Share options lapsed	–	–	(478)	478	–
Balance at 31 March 2023	4,000	34,992	9,640	81,087	129,719
Balance at 1 April 2023	**4,000**	**34,992**	**9,640**	**81,087**	**129,719**
Total comprehensive loss					
Loss for the year	**–**	**–**	**–**	**(22,976)**	**(22,976)**
Other comprehensive loss for the year	**–**	**–**	**(11)**	**–**	**(11)**
	–	**–**	**(11)**	**(22,976)**	**(22,987)**
Transaction with owners in their capacity as owners					
Dividends paid *(Note 30(b))*	**–**	**–**	**–**	**(400)**	**(400)**
Share options cancelled *(Note 24)*	**–**	**–**	**(2,141)**	**2,141**	**–**
Balance at 31 March 2024	**4,000**	**34,992**	**7,488**	**59,852**	**106,332**

The notes on pages 71 to 127 form part of the consolidated financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2024

(EXPRESSED IN HONG KONG DOLLARS)

	Note	2024 HK$'000	2023 HK$'000
Cash flows from operating activities			
Cash (used in)/generated from operations	*32(a)*	**(17,864)**	14,587
Hong Kong Profits Tax paid, net		**(23)**	(2,161)
Net cash (used in)/generated from operating activities		**(17,887)**	12,426
Cash flows from investing activities			
Interest received		**1,405**	1,272
Purchases of property and equipment		**(11)**	(568)
Proceeds from disposals of property and equipment		**–**	3
Dividends received		**119**	91
Purchase of financial assets at fair value through profit or loss		**–**	(6,264)
Proceeds from disposals of financial assets at fair value through profit or loss		**–**	2,283
Additions of intangible assets		**(6,535)**	(4,836)
Acquisition of a subsidiary, net of cash acquired	*33*	**6,565**	–
Net cash generated from/(used in) investing activities		**1,543**	(8,019)
Cash flows from financing activities			
Principal elements of lease payments	*32(b)*	**(396)**	(364)
Interest elements of lease payments	*32(b)*	**(8)**	(16)
Dividends paid		**(400)**	(800)
Net cash used in financing activities		**(804)**	(1,180)
Net (decrease)/increase in cash and cash equivalents		**(17,148)**	3,227
Cash and cash equivalents at beginning of the year		**61,415**	58,189
Effects of exchange rate changes on cash and cash equivalents		**(13)**	(1)
Cash and cash equivalents at end of the year	*22*	**44,254**	61,415

The notes on pages 71 to 127 form part of the consolidated financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2024

(EXPRESSED IN HONG KONG DOLLARS)

1 GENERAL INFORMATION AND BASIS OF PREPARATION

1.1 General information

Novacon Technology Group Limited (the "**Company**") was incorporated in the Cayman Islands on 7 February 2018 as an exempted company with limited liability under the Companies Act (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is located at Office E, 17th Floor, EGL Tower, No. 83 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited by way of placing and public offer on 2 May 2019.

The Company is an investment holding company. The Company and its subsidiaries (together the "**Group**") are principally engaged in (i) development and provision of financial trading solutions; (ii) development and supply of resource allocation, planning, scheduling and management of software and services; and (iii) provision of bullion trading services.

These consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand (HK$'000), unless otherwise stated.

2 MATERIAL ACCOUNTING POLICY INFORMATION

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of the Company and its subsidiaries.

2.1 Basis of preparation

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 ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities which have been measured at fair value.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(i) New and amended standards adopted by the Group

The Group has applied the following new and amended standards for its annual reporting period commencing on 1 April 2023:

HKFRS 17	Insurance Contract
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The new and amended standards listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2024

(EXPRESSED IN HONG KONG DOLLARS)

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.1 Basis of preparation (Continued)

(ii) Amended standards and interpretations not yet adopted

Certain amendments to accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[1]
Amendments to HKAS 1	Non-current Liabilities with Covenants[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements[1]
Amendments to HKAS 21	Lack of Exchangeability[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2024.
2 Effective for annual periods beginning on or after 1 January 2025.
3 No mandatory effective date yet determined but available for adoption.

These amendments and interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Changes in accounting policy

Change in accounting policy on offsetting arrangements in long service payment scheme in Hong Kong

In June 2022, the Hong Kong Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") which will be effective from 1 May 2025 (the "**Transition Date**"). Under the Amendment Ordinance, any accrued benefits attributable to the employer's mandatory contributions under mandatory provident fund scheme ("**MPF Benefits**") of an entity would no longer be eligible to offset against its obligations on long service payment ("**LSP**") for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

Prior to 1 April 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the "**practical expedient**") to account for the offsetable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" (the "**Guidance**") which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a 'simple type of contributory plans' to which the practical expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). This change in accounting policy did not have any material impact on the Group's consolidated financial statements for the year ended 31 March 2023 and the Company's statement of financial position as at 31 March 2023.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Principles of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2.3(b)).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the (i) consideration transferred; (ii) amount of any non-controlling interest in the acquired entity; and (iii) acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Principles of consolidation (Continued)

(c) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that make strategic decisions.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in HK$, which is the Company's and the Group's functional and presentation currency.

(b) Transactions and balances

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

All foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Foreign currency translation (Continued)

(c) Group companies (Continued)

(iii) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in other comprehensive income.

2.6 Property and equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Land and building	Over the period of the land lease
Leasehold improvement	3 years or over the lease period, whichever is shorter
Furniture and fixtures	5 years
Office equipment	5 years
Computers	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8).

Gains or losses on disposals are determined by comparing proceeds with carrying amount and these are included in profit or loss.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Intangible assets

(a) Goodwill

Goodwill is measured as described in Note 2.3(b). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(b) Computer software systems

Costs associated with maintaining software programmes are recognised as expenses as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable cost that capitalised as part of the software is employee costs.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Computer software systems acquired in business combination are recognised at fair value at acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment loss.

(c) Research and development

Research expenditure and development expenditure that do not meet the criteria in Note 2.7(b) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(d) Customer contracts

Customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Intangible assets (Continued)

(e) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Computer software systems	5 years
Customer contracts	1.4 years

The useful lives of computer software systems are estimated based on historical experience, which of actual useful lives of similar assets and changes in technology; while the useful lives of customer contracts are estimated based on the remaining legal contract duration before expiry.

The Group is required to estimate the useful lives of computer software system in order to ascertain the amount of amortisation charged for each reporting period.

The useful lives are estimated at the time development costs incurred after considering future technology changes, business developments and the Group's strategies.

The Group performs annual reviews to assess the appropriateness of the estimated useful lives. Such review takes into account any unexpected adverse changes in circumstances or events, including declines in projected operating results, negative industry or economic trends and rapid advancement in technology. The Group extends or shortens the useful lives and/or makes impairment provisions according to the results of the review.

2.8 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life or intangible assets, which are not ready to use, are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

– those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and

– those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Financial assets (Continued)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

– Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income or other expenses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

– Fair value through other comprehensive income ("**FVTOCI**")

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains and losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other income or other expenses. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other expenses and impairment expenses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

– FVTPL

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other income in the period in which it arises.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.9 Financial assets (Continued)

(c) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognised in profit or loss as other net income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other net income in the consolidated statement of profit or loss and other comprehensive income as applicable.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1(b) set out the details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9 "Financial Instruments", which requires expected lifetime losses to be recognised from initial recognition of the receivables. The provision matrix is determined based on historical observed default rates over the expected life of the contract assets and trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other financial assets is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.10 Derivative instruments

Derivatives are initially recognised at fair value on the date of derivative contract is entered into and are subsequently remeasured to their fair value at the ended of each reporting period. The Group does not classify any derivatives as hedges in a hedging relationship.

Changes in the fair value of any derivative instrument that arising from provision of bullion trading business are recognised immediately in profit or loss and are included in revenue.

2.11 Cryptocurrencies

The Group's business model for holding cryptocurrencies received from its operations are held for sale in the ordinary course of business. Accordingly, the cryptocurrencies are accounted for as similar to inventories based on the requirements of HKAS 2.

Cryptocurrencies are stated at the lower of cost and net realisable value. Cost represents the historical purchase cost calculated using weighted-average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.12 Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(b) for a description of the Group's impairment policies.

2.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 Share capital

Ordinary shares are classified as equity (Note 23).

2.15 Other payables

Other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.16 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred income tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss.

2.17 Employee benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as part of the accruals and other payables in the consolidated statement of financial position.

(b) Pension obligation – Defined contribution plan

The Group participates in a mandatory provident fund scheme ("**MPF Scheme**") for its employees in Hong Kong.

MPF Scheme is a defined contribution scheme in accordance with the Mandatory Provident Fund Scheme Ordinance. Under the rules of MPF Scheme, the employer and its employees are required to contribute 5% of the employees' salaries, up to a maximum of HK$1,500 per month from 1 June 2014 onward, respectively, and thereafter contributions are voluntary. The assets of MPF Scheme are held separately from those of the Group in an independently administered fund.

Full time employees of the Group's entity operating in the People's Republic of China ("**PRC**") participate in a government mandated multi-employer defined contribution plan pursuant to which certain pension benefits, medical care, unemployment insurance, employee housing fund and other these benefits based on certain percentage of the employees' salaries. Full time employees who have passed the probation period are entitled to such benefits.

The contributions are recognised as employee benefit expense when they are due.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.17 Employee benefits (Continued)

(c) Provision for LSP

The liability recognised in the consolidated statement of financial position in respect of LSP is the present value of net balance of provision for LSP at the end of the reporting period. The provision for LSP is calculated annually by management using the projected unit credit method.

The contribution under MPF Scheme by employees reduces the cost of benefits to the Group. Contributions from employees are linked to services and hence, the contributions reduce service cost. The Group attributes the contributions from employees to periods of service on a straight-line basis.

The present value of the provision for LSP is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

(d) Employee leave entitlements

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

(e) Bonus plans

The expected cost of bonus payments is recognised as a liability and an expense when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

2.18 Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group may receive remuneration in the form of share-based payments, whereby the employees render services as consideration for equity instruments ("**equity-settled transactions**").

The fair value of the options granted under the Company's share option scheme is recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

– including any market performance conditions (e.g. the entity's share price);

– excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period); and

– including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.19 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenues are recognised when goods are transferred or services are rendered to the customer.

Depending on the terms of the contract and the laws that apply to the contract, service may be provided over time or at a point in time. Service is provided overtime if the Group's performance:

– provides all of the benefits received and consumed simultaneously by the customer;

– creates and enhances an asset that the customer controls as the Group performs; or

– does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If service transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the service.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's performance in satisfying the performance obligation:

– time-based measure of progress; or

– the Group's efforts or inputs to the satisfaction of the performance obligation.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Revenue recognition (Continued)

When determining the transaction price to be allocated from different performance obligations, the Group first determines the service fees that the Group entitles in the contract period and adjusts the transaction price for variable considerations and significant financing component, if any. The variable considerations relate to licensing and maintenance services contracts. Such variable considerations are measured based on transaction volume of customers. The Group includes in the transaction price the best estimated amount of variable considerations only for maintenance services contracts to the extent that it is highly probable that a significant reversal in amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

If contracts involve the provision of multiple services, the transaction price will be allocated from each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

A contract asset is the Group's right to consideration in exchange for the services that the Group has transferred to a customer that is not yet unconditional. A receivable is recorded when the Group has an unconditional right to a consideration. A right to consideration is unconditional if only passage of time is required before payment of that consideration is due. In addition, incremental costs incurred to obtain a new contract, if recoverable, are capitalised as contract cost and subsequently amortised when the related revenue is recognised.

Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortised cost.

A contract liability is the Group's obligation to render the services to a customer for which the Group has received consideration from the customer. A contract liability is recognised by the Group when the customer pays consideration but before the Group renders the service to the customer. Contract liabilities mainly included the advance payments received from sales of hardware and software and provision of initial set up and customisation services. A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

The following is a description of the accounting policy for the principal revenue streams of the Group:

(a) Initial set up and customisation services

The Group provides installation and customisation services of financial trading solutions and non-financial IT solutions. Initial set up and customisation services are generally provided on an on demand basis and could be completed in a short period of time. Revenue from providing such services is recognised in the accounting period in which the services are rendered, by using the input method for the specific transaction to measure the progress towards complete satisfaction of the performance obligation. Under input method, the progress is assessed on the basis of costs incurred as a proportion of the total budgeted contract costs to be incurred. Payment of the transaction is made upfront or due immediately when the installation services are provided to customers.

(b) Licensing and maintenance services

The Group licenses the right to access financial trading solutions and non-financial IT solutions and provides technical maintenance and support to licensees for licensed financial trading solutions and non-financial IT solutions for a specific period. Such services are transferred over time and revenue is recognised when the customers simultaneously receive and consume the benefits from the Group's performance of providing access to the financial software and maintenance period.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.20 Revenue recognition (Continued)

(c) Bullion trading services

The Group provides bullion trading services through entering leverage bullion trading contracts with counterparties through online trading platform. The dealing income from bullion trading are recognised through profit or loss in accordance with accounting policy in note 2.10.

The commission income generated from bullion trading business is recognised when service is rendered.

2.21 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to taken into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and

- by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.22 Dividend income

Dividends are received from financial assets measured at FVTPL. Dividends are recognised as other net income in profit or loss when the right to receive payment is established.

2.23 Lease – As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Notes to the Consolidated Financial Statements

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.23 Lease – As a lessee (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

– fixed payments (including in-substance fixed payments), less any lease incentives receivable;

– variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;

– amounts expected to be payable by the Group under residual value guarantees;

– the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

– payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

– the amount of the initial measurement of lease liability;

– any lease payments made at or before the commencement date less any lease incentives received;

– any initial direct costs; and

– restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise small items of equipment.

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2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.24 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.25 Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

2.26 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group adopts a conservative and balanced treasury policy which focuses on the financial risks factors as below and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group's transactions are mainly denominated in HK$ and United States dollar ("**US$**"). The majority of assets and liabilities are denominated in HK$ and US$. There are no significant assets or liabilities denominated in other currencies.

Since HK$ is pegged to US$, the Group does not have significant currency risks and it is the Group's policy not to engage in speculative activities. The Group has not entered into any contracts to hedge its exposure for foreign exchange risk.

(ii) Cash flow interest rate risk

The Group's cash flow interest rate risks primarily relate to cash at banks (2023: cash at banks). The Group does not enter into any contract for interest rate hedging purposes. However, management monitors the related interest rate risk exposure closely and will consider hedging significant interest rate risk exposure should the need arise.

Had interest rates been 100 basis points higher/lower than the prevailing interest rate for the year ended 31 March 2024, with all other variables held constant, the post-tax loss for the year ended 31 March 2024, would have been approximately HK$391,000 lower/higher (2023: HK$610,000 higher/lower in post-tax profit), as a result of changes in interest income on cash at banks (2023: interest income on cash at banks).

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3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Price risk

The Group's exposure to listed fund investments price risk arises from the investments held by the Group and classified in the consolidated statement of financial position as financial assets at FVTPL.

To manage its price risk arising from investments in listed fund, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The majority of the Group's listed fund investments are included in various exchanges.

Had fund investments price been increased/decreased by 10%, with all other variables held constant, the post-tax loss for the year ended 31 March 2024 would have been approximately HK$884,000 lower/higher (2023: HK$763,000 higher/lower in post-tax profit), as a result of change in fair value in financial assets classified at FVTPL.

The Group is also exposed to price risk through its bullion trading business arising from the price fluctuation of spot bullion price reference to the quotes from the Group and counterparties. The Group will suffer a loss if it fails to cover a client deal at a better spot price. The Group monitors price exposure by reviewing the open position of the Group and client trading performance. The risk is measured by the use of sensitivity analysis and cash flow forecasting. Specific risk limits are set to measure and monitor price risk. Any excessive price risks are passed on to other financial institutions through execution of trades with those institutions. The management sets limits on the level of exposure by currency and in aggregate for both overnight and intraday positions, which are monitored on an regular basis.

Had spot bullion price been increased/decreased by 10%, with all other variables held constant, there would not have significant impact on the post-tax loss for the year ended 31 March 2024.

(b) Credit risk

Credit risk arises from cash at banks, trade receivables, contract assets, deposits and other receivables and balances due from agents. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Risk management

To manage the risk arising from cash at banks and balances due from agents, the Group only transacts with reputable banks which are all high-credit-quality financial institutions. There has no recent history of default in relation to these financial institutions. The expected credit loss was insignificant for the year ended 31 March 2024 (2023: same).

The Group reviews regularly the authorisation of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts. As at 31 March 2024 and 2023, the Group had a concentration of credit risk as 44% (2023: 24%) and 72% (2023: 73%) of total trade receivables and contract assets due from the largest customer and five largest customers respectively.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Credit risk policy

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

– internal credit rating;

– external credit rating (as far as available);

– actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;

– actual or expected significant changes in the operating results of the debtor;

– significant increases in credit risk on other financial instruments of the same debtor;

– significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and

– significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a receivable for write off when a debtor fails to make contractual payments more than 365 days past due. Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets

The Group has a credit policy to monitor the level of credit risk in relation to customers. In general, the credit record and credit period for each customer or debtor are regularly assessed based on the customer's or debtor's financial condition, their credit records and other factors such as current market conditions.

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets from third parties. The Group overall considers the shared credit risk characteristic and the days past due of the trade receivables and contract assets to measure the expected credit loss. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Loss allowance for trade receivables and contract assets as at 31 March 2024 was determined as follows:

	2024			
	Lifetime expected loss rate %	Gross carrying amount HK$'000	Lifetime expected credit loss HK$'000	Net carrying amount HK$'000
Contract assets				
Current	**2.13**	**1,501**	**(32)**	**1,469**
Trade receivables				
Within 1 month	**2.10**	**2,144**	**(45)**	**2,099**
1 to 3 months	**1.61**	**62**	**(1)**	**61**
		2,206	**(46)**	**2,160**
		3,707	**(78)**	**3,629**

	2023			
	Lifetime expected loss rate %	Gross carrying amount HK$'000	Lifetime expected credit loss HK$'000	Net carrying amount HK$'000
Contract assets				
Current	3.01	5,922	(178)	5,744
Trade receivables				
Within 1 month	5.89	1,749	(103)	1,646
1 to 3 months	13.07	3,932	(514)	3,418
3 to 6 months	30.62	2,528	(774)	1,754
6 to 12 months	73.52	2,881	(2,118)	763
Over 12 months	100.00	932	(932)	–
		12,022	(4,441)	7,581
		17,944	(4,619)	13,325

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(EXPRESSED IN HONG KONG DOLLARS)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Movement on the loss allowance for the year are as follows:

	Contract assets HK$'000	Trade receivables HK$'000	Total HK$'000
Loss allowance at 1 April 2022	–	–	–
Increase in loss allowance recognised in profit or loss during the year	178	4,441	4,619
Loss allowance at 31 March 2023 and 1 April 2023	**178**	**4,441**	**4,619**
Decrease in loss allowance recognised in profit or loss during the year	**(146)**	**(276)**	**(422)**
Receivables written off during the year as uncollectible	**–**	**(4,119)**	**(4,119)**
Loss allowance at 31 March 2024	**32**	**46**	**78**

For deposits and other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of deposits and other receivables based on historical settlement records and past experience. The directors believe there is no material credit risk inherent in the Group's outstanding balances of deposits and other receivables and the expected credit loss was insignificant for the year ended 31 March 2024 (2023: same).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position.

(c) Liquidity risk

The Group adopts a prudent liquidity risk management by maintaining sufficient cash and bank balances to meet its liquidity requirements in the short and long term.

Due to the dynamic nature of the business environment, the Group aims to maintain flexibility in funding by keeping sufficient banking facilities if necessary. The liquidity risk of the Group is primarily attributable to accruals and other payables, deposits received from clients and lease liabilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting period end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	On demand HK$'000	Within 1 year HK$'000	Between 1 and 2 years HK$'000	Total HK$'000
At 31 March 2024				
Accruals and other payables (excluding accrued payroll and employee benefits)	**–**	**1,082**	**–**	**1,082**
Deposits received from clients	**5,141**	**–**	**–**	**5,141**
	5,141	**1,082**	**–**	**6,223**
At 31 March 2023				
Accruals and other payables (excluding accrued payroll and employee benefits)	–	1,390	–	1,390
Lease liabilities	–	446	66	512
	–	1,836	66	1,902

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholder and to maintain an optimal capital return to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debts.

Consistent with others in the industry, the Group monitors capital on the basis of net debt to total capital ratio. As the Group was in net cash position as at 31 March 2024 and 2023, no net debt to equity ratio was presented.

3.3 Fair value estimation

The Group analyses the financial instruments carried at fair value by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

The following table represents the carrying value of financial instruments measured at fair value at the end of reporting period across the three levels of the fair value hierarchy defined in HKFRS 13, Fair Value Measurement, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to that fair value measurement.

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
At 31 March 2024				
Assets				
Financial assets at FVTPL	**8,840**	**–**	**–**	**8,840**
Derivative financial instruments	**–**	**2,984**	**–**	**2,984**
	8,840	**2,984**	**–**	**11,824**
At 31 March 2023				
Assets				
Financial assets at FVTPL	7,625	–	–	7,625

There were no transfers of financial assets between levels 1, 2 and 3 during the year.

The carrying amounts of the Group's other financial assets, including cash and cash equivalents, trade receivables, deposits and other receivables and balances due from agents; and the Group's financial liabilities including accruals and other payables and deposits received from clients approximate their fair values due to their short maturities.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management also needs to exercise judgement in applying the Group's accounting policy. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, or presentation of the consolidated financial statements within the next financial year are discussed below.

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) Revenue recognition in relation to the provision of financial trading solutions and IT related services

Initial set up and customisation services, and licensing and maintenance services provided by the Group are agreed upon in a single revenue contract with customers. When such multiple services exist in a single revenue contract, transaction price of the revenue contract is allocated among each performance obligation identified in the revenue contract based on their relative stand-alone selling price. Management has applied judgement in estimating the stand-alone selling price.

Revenue from initial set up and customisation services are recognised over time by using input method as detailed in Note 2.20(a). Management has applied judgement in estimating the total budgeted contract costs for input method to measure the progress towards complete satisfaction of performance obligation.

(b) Capitalisation of development costs incurred on computer software systems

Development costs incurred on computer software systems are capitalised as intangible assets when recognition criteria as detailed in Note 2.7(b) are fulfilled. Management has applied its judgements in the determination of whether these software products could generate probable future economic benefits to the Group based on the historical experience and the prospects of the markets; and whether the employee benefit costs are appropriately identified for capitalisation and that such costs are appropriately associated with computer software systems in the development phase of production.

(c) Impairment of trade receivables and contract assets

The Group's management determines the provision for impairment of trade receivables and contract assets on a forward-looking basis and the expected lifetime losses are recognised from initial recognition of the assets. The provision matrix is determined based on the Group's historical observed default rates over the expected life of the trade receivables and contract assets with similar credit risk characteristics and is adjusted for forward-looking estimates. In making the judgement, management considers available reasonable and supportive forward-looking information such as actual or expected significant adverse changes in business. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed by the Group's management.

(d) Impairment of intangible assets

The Group makes provision for impairment of intangible assets based on an assessment of the recoverability of intangible assets. Provisions are applied to intangible assets where events or changes in circumstances indicate that the balances may not be recoverable. The identification of impairment requires the use of judgments and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of intangible assets and provision for impairment in the period in which such estimate has been changed.

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5 REVENUE AND SEGMENT INFORMATION

	2024 HK$'000	2023 HK$'000
Revenue from contracts with customers:		
Licensing and maintenance services	**11,576**	41,490
Initial set up and customisation services	**8,000**	11,087
Commission income from bullion trading	**844**	–
	20,420	52,577
Revenue from other sources:		
Dealing income from bullion trading	**2,371**	–
	22,791	52,577

(a) Disaggregation of revenue from contracts with customers

During the years ended 31 March 2024 and 2023, except for commission income from bullion trading which was recognised at a point in time, all sources of revenue were recognised over time.

(b) Assets and liabilities related to contracts with customers

	Note	2024 HK$'000	2023 HK$'000
Contract assets, net of loss allowance	*(i)*	**1,469**	5,744
Contract liabilities	*(ii)*	**338**	2,596

Notes:

(i) Contract assets represent revenue of licensing and maintenance services and initial set up and customisation services recognised prior to the agreed payment schedule. Contract assets decreased by HK$4,275,000 during the year ended 31 March 2024 and such decrease was primarily due to less initial set up and customisation service in progress during the year. A reversal of impairment loss of HK$146,000 (2023: impairment loss of HK$178,000) was recognised on contract assets during the year ended 31 March 2024 as disclosed in Note 3.1(b).

(ii) Contract liabilities represent advance payments received from provision of initial set up and customisation services and provision of licensing and maintenance services. During the year ended 31 March 2024, contract liabilities decreased by HK$2,258,000 and such decrease was due to decrease in advance payments received from customers for provision of initial set up and customisation services.

(iii) During the year ended 31 March 2024, all carried-forward contract liabilities at the beginning of financial year were fully recognised as revenue (2023: same).

(iv) As at 31 March 2024, the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) was HK$4,624,000 (2023: HK$16,991,000). Management expects that the transaction price allocated to the unsatisfied performance obligations as at 31 March 2024 will be recognised as revenue when the related services, mainly related to provision of maintenance services, are provided over the next 2 years (2023: 3 years). Among the unsatisfied performance obligation as at 31 March 2024, the management expect HK$401,000 (2023: HK$4,223,000) will be recognised as revenue in a period more than 1 year but within 2 years (2023: more than 1 year but within 3 years).

The Group has elected the practical expedient for not to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for revenue contracts which have an original expected duration of one year or less.

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5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Segment information

The executive directors have been identified as the CODM of the Group who review the Group's internal reporting in order to assess performance and allocate resources. For the year ended 31 March 2024, the directors considered the Group's operations and determines that the Group has two (2023: one) reportable operating segments as follows:

Financial trading solutions and other IT services

The provision of financial trading solutions and other IT services segment engaged in the development and provision of financial trading solutions and development and supply of resource allocation, planning, scheduling and management of software and services.

Bullion trading services

The bullion trading services engaged in provision in bullion trading and its related services together with the margin dealing arrangement.

The CODM assesses the performance of the operating segments based on a measure of revenue and results before income tax. The segment information provided to the CODM for the reportable segments is as follows:

	2024		
	Financial trading solutions and other IT services HK$'000	Bullion trading services HK$'000	Total HK$'000
Revenue	19,576	3,215	22,791
Segment (loss)/profit before income tax	(16,913)	1,148	(15,765)
Unallocated depreciation			(1,221)
Unallocated expenses			(6,286)
Loss before tax			(23,272)
Other information:			
Bad debts written off	4,964	–	4,964
Depreciation of property and equipment	632	24	656
Depreciation of right-of-use assets	382	10	392
Amortisation expenses	6,101	167	6,268
Finance costs related to leases liabilities	8	–	8
Interest income	1,398	9	1,407
Reversal of impairment losses on financial and contract assets	(422)	–	(422)
Impairment loss on intangible assets	770	–	770

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5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Segment information (Continued)

The CODM assesses the performance of the operating segments based on a measure of revenue and results before income tax. The segment information provided to the CODM for the reportable segments is as follows: (Continued)

	2023		
	Financial trading solutions and other IT services HK$'000	Bullion trading services HK$'000	Total HK$'000
Revenue	52,577	–	52,577
Segment profit before income tax	14,230	–	14,230
Unallocated depreciation			(1,220)
Unallocated expenses			(6,078)
Profit before tax			6,932
Other information:			
Depreciation of property and equipment	746	–	746
Depreciation of right-of-use assets	369	–	369
Amortisation expenses	6,045	–	6,045
Finance costs related to leases liabilities	16	–	16
Interest income	1,398	–	1,398
Impairment losses on financial and contract assets	4,619	–	4,619

Majority of the Group's activities are carried out in Hong Kong and majority of its assets and liabilities are located in Hong Kong. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

The total non-current assets other than deposits, financial assets at FVTPL and deferred income tax assets, broken down by location of the assets, is shown in the following:

	2024 HK$'000	2023 HK$'000
The PRC	**35**	48
Hong Kong	**50,089**	50,902
	50,124	50,950

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5 REVENUE AND SEGMENT INFORMATION (CONTINUED)

(d) Information about major customers

Certain customers, which were all arising from financial trading and other IT services segment, contributed more than 10% of the total sales of the Group during the year. The amount of sales of these customers are disclosed as follows:

	2024 HK$'000	2023 HK$'000
Customer A	**N/A#**	7,720
Customer B	**2,759**	N/A#
Customer C	**10,138**	8,397
Customer D	**2,430**	N/A#

The revenue of the particular customer for the particular year was less than 10% of the Group's revenue for the particular year.

6 OTHER NET INCOME

	2024 HK$'000	2023 HK$'000
Change in fair value of financial assets at FVTPL *(Note 31(b))*	**1,238**	(692)
Dividend from fund investments	**119**	91
Gain on disposals of financial assets at FVTPL *(Note 31(b))*	**–**	7
Gain on early termination of lease	**3**	–
Government grant *(Note)*	**37**	1,019
Interest income on bank deposits	**71**	10
Interest income on time deposits	**1,337**	1,388
Other income	**36**	3
	2,841	1,826

Note: During the year ended 31 March 2024, maternity leave pay subsidies of HK$37,000 were granted from the Hong Kong SAR Government "Reimbursement of Maternity Leave Pay Scheme". During the year ended 31 March 2023, wages subsidies of HK$1,008,000 were granted from the Hong Kong SAR Government's Employment Support Scheme under Anti-epidemic Fund for the use of paying wages of employees from May 2022 to July 2022.

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7 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2024 HK$'000	2023 HK$'000
Salaries and allowances	**23,241**	25,120
Discretionary bonuses	**7,537**	1,565
Pension costs – defined contribution plans *(Note (ii))*	**889**	920
Pension costs – LSP	**405**	–
Staff welfare and benefits	**231**	20
Share-based payment expenses	**–**	8
	32,303	27,633
Less: staff costs capitalised as development costs of computer software systems	**(6,379)**	(4,843)
	25,924	22,790

Notes:

(i) During the year ended 31 March 2024, employee benefits costs related to research and development staff, amounting to HK$11,302,000 (2023: HK$11,278,000), were recognised as employee benefit expenses in the consolidated statement of profit or loss and other comprehensive income.

(ii) Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Group to reduce the existing level of contribution.

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include two directors (2023: two directors) whose emoluments are reflected in the analysis shown in Note 8 during the year ended 31 March 2024. The emoluments payable to the remaining three individuals (2023: three individuals) for the year ended 31 March 2024 are as follows:

	2024 HK$'000	2023 HK$'000
Salaries and allowances	**2,442**	2,532
Discretionary bonuses	**2,705**	31
Pension costs – defined contribution plans	**54**	54
Pension costs – LSP	**65**	–
Staff welfare and benefits	**4**	2
	5,270	2,619

The emoluments fell within the following bands:

	2024 Number of individuals	2023 Number of individuals
HK$500,000 – HK$1,000,000	**–**	3
HK$1,000,001 – HK$1,500,000	**–**	–
HK$1,500,001 – HK$2,000,000	**3**	–

No emoluments were paid by the Company or the Company's subsidiaries to the five highest paid individuals as an inducement to join the Company or the Company's subsidiaries, or as compensation for loss of office for the years ended 31 March 2024 and 2023.

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8 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of each director for the years ended 31 March 2024 and 2023 is set out below:

	2024					
	Fees HK$'000	Salaries HK$'000	Discretionary bonuses HK$'000	Allowances and benefits in kind *(Note (ii))* HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total HK$'000
Executive directors:						
Mr. Chung Chau Kan *(Chief Executive Officer)*	130	1,378	–	282	18	1,808
Mr. Wong Wing Hoi	130	948	1,612	1	18	2,709
Non-executive director:						
Mr. Wei Ming *(Chairman)*	–	–	–	–	–	–
Independent non-executive directors:						
Mr. Wu Kin San Alfred	130	–	–	–	–	130
Mr. Moo Kai Pong	130	–	–	–	–	130
Mr. Lo Chi Wang	130	–	–	–	–	130
	650	2,326	1,612	283	36	4,907

	2023					
	Fees HK$'000	Salaries HK$'000	Discretionary bonuses HK$'000	Allowances and benefits in kind *(Note (ii))* HK$'000	Employer's contribution to a retirement benefit scheme HK$'000	Total HK$'000
Executive directors:						
Mr. Chung Chau Kan *(Chief Executive Officer)*	129	1,702	800	3	18	2,652
Mr. Wong Wing Hoi	129	973	–	8	18	1,128
Non-executive director:						
Mr. Wei Ming *(Chairman)*	–	–	–	–	–	–
Independent non-executive directors:						
Mr. Wu Kin San Alfred	129	–	–	–	–	129
Mr. Moo Kai Pong	129	–	–	–	–	129
Mr. Lo Chi Wang	129	–	–	–	–	129
	645	2,675	800	11	36	4,167

Notes:

(i) The remuneration shown above represents remuneration received from the Group by these directors in their capacity as employees to the Company's subsidiaries and no directors waived any emolument during the year.

No emoluments were paid by the Company or the Company's subsidiaries to the directors as an inducement to join the Company or the Company's subsidiaries, or as compensation for loss of office during the year.

(ii) The amount includes housing allowances and estimated money value of other non-cash benefit: share option.

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8 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2023: Nil).

(c) Consideration provided to third parties for making available directors' services

No consideration was made to third parties for making available directors' services during the year (2023: Nil).

(d) Information about loans, quasi-loans and other dealing in favour of directors, controlled bodies corporate by and connected entities with such directors subsisted at the end of the year or at any time during the year

No loans, quasi-loans and other dealings were made available in favour of directors, controlled bodies corporate by and connected entities with such directors during the year (2023: Nil).

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

Save as disclosed in Note 34, no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiary was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of each reporting period or at any time during the year (2023: Nil).

9 OTHER EXPENSES

	2024 **HK$'000**	2023 HK$'000
Advertising expenses	**668**	20
Auditor's remuneration		
– Audit services	**560**	568
– Non-audit services	**–**	–
Building management fees	**148**	114
Entertainment expenses	**253**	243
Exchange loss/(gain), net	**230**	(158)
Expense relating to short-term leases	**56**	40
Insurance expenses	**259**	263
Loss on write-off of property and equipment	**50**	12
Loss on write-off of intangible assets	**8**	–
Gain on disposals of property and equipment	**–**	(3)
Consultancy fees	**1,563**	2,291
Legal and professional fees	**950**	1,432
Telephone and utilities	**237**	704
Others	**829**	882
	5,811	6,408

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10 FINANCE COSTS

	2024 HK$'000	2023 HK$'000
Interest on lease liabilities	**8**	16

11 INCOME TAX CREDIT/(EXPENSE)

No provision for Hong Kong Profits Tax and the PRC Enterprise Income Tax ("**EIT**") for the year ended 31 March 2024 has been made for the Company and the subsidiaries incorporated in Hong Kong and the PRC as they have no assessable profits or sufficient tax losses brought forward to set off estimated assessable profits for the current year.

Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying group entity in Hong Kong will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. Accordingly, the Hong Kong Profits Tax for the year ended 31 March 2023 was calculated at 8.25% on the first HK$2,000,000 of the estimated assessable profits for the Group's qualifying entity and at 16.5% on the estimated assessable profits above HK$2,000,000 for the year. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime would continue to be taxed at the flat rate of 16.5%.

The PRC subsidiary of the Group was eligible for small low-profit enterprise, which is subject to a stated preferential income tax rate for the year ended 31 March 2023. Under the relevant regulations of the EIT Law, for eligible enterprise which met the criteria of small low-profit enterprise, the annual taxable income that was not more than RMB1,000,000 shall be recognised at 12.5% of income and be subject to a EIT rate of 20%; the annual taxable income that was more than RMB1,000,000 but less than RMB3,000,000 shall be recognised at 25% of income and be subject to a EIT rate of 20%.

The amount of tax (credited)/charged to the consolidated statement of profit or loss and other comprehensive income represents:

	2024 HK$'000	2023 HK$'000
Current taxation:		
Hong Kong Profits Tax		
– Current year	**–**	1,178
– Under-provision of tax in prior years	**1**	–
PRC Enterprise Income Tax		
– Current year	**–**	–*
Total current tax	**1**	1,178
Deferred income tax *(Note 28)*	**(297)**	43
Income tax (credit)/expense	**(296)**	1,221

* Below HK$1,000.

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11 INCOME TAX CREDIT/(EXPENSE) (CONTINUED)

	2024 HK$'000	2023 HK$'000
(Loss)/profit before income tax	**(23,272)**	6,932
Tax calculated at respective tax rates	**(3,866)**	945
Income not subject to tax	**(478)**	(322)
Expenses not deductible for tax purpose	**471**	610
Temporary difference not recognised	**137**	–
Tax waiver	**–**	(12)
Tax loss not recognised	**3,439**	–
Under-provision of tax in prior years	**1**	–
Income tax (credit)/expense	**(296)**	1,221

12 SUBSIDIARIES

The Group's principal subsidiaries at the reporting date are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

Name of subsidiary	Place of incorporation/ establishment and kind of legal entity	Registered/ issued and paid-up capital	Effective interest held by the Group 2024	2023	Principal activities and place of operation
Directly owned by the Company:					
Motion Cast Limited	British Virgin Islands, limited company	1 ordinary share of US$1	**100%**	100%	Investment holding, Hong Kong
Indirectly owned through a subsidiary:					
Global eSolutions (HK) Limited ("**GES**")	Hong Kong, limited company	100 ordinary shares of HK$7,500,000	**100%**	100%	Development and provision of financial trading solutions, Hong Kong
Real Logic Technology Company Limited ("**RLT**")	Hong Kong, limited company	100,000 ordinary shares of HK$100,000	**100%**	100%	Development and supply of resource allocation, planning, scheduling and management of software services, Hong Kong
Win Investment (HK) Limited ("**WIL**")	Hong Kong, limited company	100 ordinary shares of HK$100	**100%**	100%	Properties investment, Hong Kong

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12 SUBSIDIARIES (CONTINUED)

Name of subsidiary	Place of incorporation/ establishment and kind of legal entity	Registered/ issued and paid-up capital	Effective interest held by the Group 2024	Effective interest held by the Group 2023	Principal activities and place of operation
Indirectly owned through a subsidiary: (Continued)					
Shenzhen Gaopuyi Technology Co., Ltd. ("**深圳市高普易科技有限公司**") *(Note)*	PRC, limited company	RMB10,000	**100%**	100%	Development and provision of software services, PRC
Max VF Limited	Hong Kong, limited company	100,000 ordinary shares of HK$100,000	**100%**	–	Provision of cryptocurrencies trading services, Hong Kong
Max Bullions Limited ("**MBL**")	Hong Kong, limited company	5,000,000 ordinary shares of HK$5,000,000	**100%**	–	Investment holding, Hong Kong
Max Online Limited ("**MOL**") (formerly known as GMO-Z.com Bullion HK Limited)	Hong Kong, limited company	2,000,000 ordinary shares of HK$62,994,665	**100%**	–	Provision for bullion trading services, Hong Kong
Max Online International Limited	Saint Lucia, limited company	100 ordinary shares of US$100	**100%**	–	Dormant

Note: The company was incorporated on 21 June 2022 as a limited liability wholly-owned foreign enterprise established in the PRC.

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13 (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2024	2023
(Loss)/profit attributable to owners of the Company (HK$'000)	**(22,976)**	5,711
Weighted average number of ordinary shares in issue (thousands)	**400,000**	400,000
Basic (loss)/earnings per share (HK cents)	**(5.74)**	1.43

(b) Diluted

In calculating the diluted (loss)/earnings per share, the weighted average number of shares is adjusted to assume conversion of all dilutive potential shares. For the year ended 31 March 2024, diluted loss per share equals to basic loss per share as the potential ordinary shares are not included in the calculation of diluted loss per share because they are anti-dilutive. For the year ended 31 March 2023, adjustment was made to determine the number of shares that could have been acquired at fair value (according to the average annual market price of the shares of the Company) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated below is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2024	2023
(Loss)/profit attributable to owners of the Company (HK$'000)	**(22,976)**	5,711
Weighted average number of ordinary shares in issue (thousands) *(Note)*	**400,000**	400,282
Diluted (loss)/earnings per share (HK cents)	**(5.74)**	1.43

Note:

	2024 **'000**	2023 '000
Weighted average number of ordinary shares used as the denominator in calculating basic (loss)/earnings per share	**400,000**	400,000
Adjustments for calculation of diluted (loss)/earnings per share: Share options	**–**	282
Weighted average number of ordinary shares used as the denominator in calculating diluted (loss)/earnings per share	**400,000**	400,282

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14 PROPERTY AND EQUIPMENT

	Land and building HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Computers HK$'000	Leasehold improvement HK$'000	Total HK$'000
At 1 April 2022						
Cost	35,010	323	2,020	5,340	1,220	43,913
Accumulated depreciation	(4,191)	(276)	(2,002)	(3,868)	(1,220)	(11,557)
Net book amount	30,819	47	18	1,472	–	32,356
Year ended 31 March 2023						
Opening net book amount	30,819	47	18	1,472	–	32,356
Additions	–	76	20	399	66	561
Depreciation	(1,219)	(29)	(10)	(683)	(25)	(1,966)
Disposals						
– Cost	–	–	(36)	(509)	–	(545)
– Accumulated depreciation	–	–	36	509	–	545
Written-off						
– Cost	–	–	(58)	(188)	–	(246)
– Accumulated depreciation	–	–	58	176	–	234
Closing net book amount	29,600	94	28	1,176	41	30,939
At 31 March 2023						
Cost	35,010	399	1,946	5,042	1,286	43,683
Accumulated depreciation	(5,410)	(305)	(1,918)	(3,866)	(1,245)	(12,744)
Net book amount	29,600	94	28	1,176	41	30,939
Year ended 31 March 2024						
Opening net book amount	**29,600**	**94**	**28**	**1,176**	**41**	**30,939**
Exchange realignment	**–**	**–**	**–**	**(3)**	**–**	**(3)**
Additions	**–**	**3**	**8**	**–**	**–**	**11**
Acquisition of subsidiary *(Note 33)*	**–**	**–**	**–**	**99**	**–**	**99**
Depreciation	**(1,220)**	**(30)**	**(10)**	**(590)**	**(27)**	**(1,877)**
Written-off						
– Cost	**–**	**(80)**	**(14)**	**(166)**	**(66)**	**(326)**
– Accumulated depreciation	**–**	**44**	**14**	**166**	**52**	**276**
Closing net book amount	**28,380**	**31**	**26**	**682**	**–**	**29,119**
At 31 March 2024						
Cost	**35,010**	**322**	**1,940**	**4,972**	**1,220**	**43,464**
Accumulated depreciation	**(6,630)**	**(291)**	**(1,914)**	**(4,290)**	**(1,220)**	**(14,345)**
Net book amount	**28,380**	**31**	**26**	**682**	**–**	**29,119**

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15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Amounts recognised in the consolidated statement of financial position

	2024 HK$'000	2023 HK$'000
Right-of-use assets		
Leased office premises	–	499
Lease liabilities		
Current	–	438
Non-current	–	66
	–	504

Additions to the right-of-use assets during the financial year 2024 are HK$10,000 (2023: HK$868,000).

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

	2024 HK$'000	2023 HK$'000
Depreciation charge of right-of-use assets		
– Leased office premises	**392**	369
Finance costs related to lease liabilities	**8**	16
Expense relating to short-term leases (included in other expenses)	**56**	40
Gain on early termination of leases (included in other net income)	**3**	–

The total cash outflow for leases in 2024 was HK$460,000 (2023: HK$420,000).

(c) The Group's leasing activities

The Group's leases various office premises. Lease contracts are typically made for fixed periods of 2 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the rental deposits in the leased assets that are held by the lessor. Leased assets were not be used as security for borrowing purposes.

There are no variable lease payments, extension and termination options contained in the leases.

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16 INTANGIBLE ASSETS

	Goodwill HK$'000	Computer software systems HK$'000	Capitalised development costs HK$'000	Customer contracts HK$'000	Total HK$'000
At 1 April 2022					
Cost	110	35,365	4,483	601	40,559
Accumulated amortisation	–	(19,244)	–	(601)	(19,845)
Net book amount	110	16,121	4,483	–	20,714
Year ended 31 March 2023					
Opening net book amount	110	16,121	4,483	–	20,714
Additions	–	–	4,843	–	4,843
Transfer	–	6,167	(6,167)	–	–
Amortisation	–	(6,045)	–	–	(6,045)
Closing net book amount	110	16,243	3,159	–	19,512
At 31 March 2023					
Cost	110	41,532	3,159	601	45,402
Accumulated amortisation	–	(25,289)	–	(601)	(25,890)
Net book amount	110	16,243	3,159	–	19,512
Year ended 31 March 2024					
Opening net book amount	**110**	**16,243**	**3,159**	**–**	**19,512**
Exchange realignment	**–**	**2**	**–**	**–**	**2**
Acquisition of subsidiary *(Note 33)*	**427**	**1,575**	**–**	**–**	**2,002**
Additions	**–**	**156**	**6,379**	**–**	**6,535**
Transfer	**–**	**4,460**	**(4,460)**	**–**	**–**
Amortisation	**–**	**(6,268)**	**–**	**–**	**(6,268)**
Written-off					
– Cost	**–**	**(39)**	**–**	**–**	**(39)**
– Accumulated amortisation	**–**	**31**	**–**	**–**	**31**
Impairment loss	**–**	**(571)**	**(199)**	**–**	**(770)**
Closing net book amount	**537**	**15,589**	**4,879**	**–**	**21,005**
At 31 March 2024					
Cost	**537**	**47,686**	**5,078**	**601**	**53,902**
Accumulated amortisation and impairment	**–**	**(32,097)**	**(199)**	**(601)**	**(32,897)**
Net book amount	**537**	**15,589**	**4,879**	**–**	**21,005**

16 INTANGIBLE ASSETS (CONTINUED)

(a) Goodwill

Goodwill of HK$110,000 arose from the acquisition of RLT. On 27 October 2016, GES entered into a sale and purchase agreement with Ms. Yip Kim Kam, who is a close family member of a director of GES, to acquire the entire equity interest in RLT at a cash consideration of HK$650,000. The acquisition was completed on 27 October 2016.

Another goodwill of HK$427,000 arise from the acquisition of MOL. On 20 September 2023, MBL, a wholly-owned subsidiary of the Group, entered into the sales and purchase agreement with an independent third party, pursuant to which MBL agreed to purchase entire issued capital of MOL. The transaction has been completed on 25 September 2023.

(b) Computer software systems

Computer software systems are internally developed systems and trading platform software acquired through business combination. The costs of the systems represent all direct costs incurred in the development and the fair value at the acquisition date.

The systems are amortised over the estimated useful life of 5 years.

(c) Customer contracts

The customer contracts arose from the acquisition of RLT which was completed on 27 October 2016. The customer contracts represent a service contract signed between RLT and its main contractor to develop a timetabling software and has met the recognition criteria of intangible assets to recognise separately from the goodwill. This intangible asset is amortised over the expected useful life of 1.4 years.

(d) Impairment test

Goodwill and capitalised development costs not ready for use are tested annually based on the recoverable amount of the cash generating unit ("**CGU**") to which the intangible assets are allocated to.

There are three identified CGUs which include the (i) financial IT solutions CGU; (ii) non-financial IT solutions CGU; and (iii) bullion trading business CGU. As at 31 March 2024, goodwill amounted to HK$110,000 (2023: HK$110,000) and HK$427,000 (2023: HK$Nil) was allocated to the non-financial IT solutions CGU and bullion trading CGU respectively. Computer software system and capitalised development costs amounted to HK$14,602,000 (2023:16,239,000) and HK$5,078,000 (2023: HK$3,159,000) respectively were both allocated to the financial IT solutions CGU for impairment test.

The recoverable amount of each CGU is determined based on a value-in-use calculation which uses cash flow projection based on a five-year financial budget approved by the directors. Assumed growth rate is used to extrapolate the cash flows in the following years. The financial budgets are prepared based on a five-year business plan.

For financial IT solutions CGU, the pre-tax discount rate applied to cash flow projections was around 20.6% (2023: 20.6%) and the cash flows beyond the five-year period are extrapolated using an annual growth rate of 2% (2023: 2%) for the year, which is consistent with forecasts included in industry reports.

For non-financial IT solutions CGU, the pre-tax discount rate applied to cash flow projections was around 22.3% (2023: 22.3%) and the cash flows beyond the five-year period are extrapolated using an annual growth rate of 2% (2023: 2%) for the year, which is consistent with forecasts included in industry reports.

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16 INTANGIBLE ASSETS (CONTINUED)

(d) Impairment test (Continued)

For bullion trading CGU, the pre-tax discount rate applied to cash flow projections was around 15.6% and the cash flows beyond the five-year period are extrapolated using an annual growth rate of 1% for the year, which is consistent with forecasts included in industry reports.

As at 31 March 2024, the directors assessed the carrying value of of financial IT solutions CGU amounted to HK$19,680,000 exceeded its recoverable amount of HK$18,910,000 in view of loss of major customers. Accordingly, the provision for impairment of HK$770,000 (2023: HK$Nil) was recognised for intangible assets.

For other CGUs, the directors assessed the recoverable amount of each CGU is significantly above the carrying amount of the respective CGU and determined that no impairment loss was recognised for the goodwill and intangible assets (2023: same). Any reasonably possible change in any of key assumptions would not result in an impairment of CGUs.

17 FINANCIAL INSTRUMENTS BY CATEGORY

(a) Assets included in the consolidated statement of financial position

	2024 HK$'000	2023 HK$'000
Financial assets measured at amortised cost		
– Trade receivables *(Note 18)*	**2,160**	7,581
– Deposits and other receivables *(Note 18)*	**1,739**	1,802
– Balance due from agents *(Note 21)*	**1,885**	–
– Cash and cash equivalents *(Note 22)*	**44,254**	61,415
	50,038	70,798
Financial assets measured at FVTPL		
– Financial assets at FVTPL *(Note 31)*	**8,840**	7,625
– Derivative financial instruments *(Note 20)*	**2,984**	–
	11,824	7,625
	61,862	78,423

(b) Liabilities included in the consolidated statement of financial position

	2024 HK$'000	2023 HK$'000
Financial liabilities measured at amortised cost		
– Accruals and other payables (excluding accrued payroll and employee benefits) *(Note 26)*	**1,082**	1,390
– Deposits received from clients *(Note 27)*	**5,141**	–
– Lease liabilities *(Note 15)*	**–**	504
	6,223	1,894

18 TRADE RECEIVABLES, DEPOSITS, PREPAYMENT AND OTHER RECEIVABLES

	2024 **HK$'000**	2023 HK$'000
Trade receivables, net of loss allowance *(Note 3.1(b))*	**2,160**	7,581
Deposits	**1,372**	1,665
Prepayment	**485**	939
Other receivables	**367**	137
	4,384	10,322
Less: non-current portion of deposits	**(1,132)**	(1,215)
Trade receivables, deposits, prepayment and other receivables classified as current assets	**3,252**	9,107

The carrying amounts of the Group's trade receivables, deposits, prepayment and other receivables approximated their fair values at the end of each reporting period.

(a) Trade receivables

There is generally no credit period granted to the customers. As at the end of each reporting period, the ageing analysis of trade receivables, net of loss allowance, by the invoice date was as follows:

	2024 **HK$'000**	2023 HK$'000
Up to 1 month	**2,099**	1,646
1 to 3 months	**61**	3,418
3 to 6 months	**–**	1,754
6 to 12 months	**–**	763
	2,160	7,581

The Group's trade receivables, net of loss allowance, were denominated in the following currencies:

	2024 **HK$'000**	2023 HK$'000
US$	**1**	5,526
HK$	**2,159**	2,055
	2,160	7,581

Reversal of impairment loss of HK$276,000 and bad debts written off of HK$4,964,000 were recognised during the year ended 31 March 2024 (2023: Impairment loss of HK$4,441,000). Information about the impairment of trade receivables can be found in Note 3.1(b).

The maximum exposure to credit risk at the reporting date was the carrying amounts of the receivables mentioned above. The Group did not hold any collateral as security.

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19 CRYPTOCURRENCIES

	2024 HK$'000	2023 HK$'000
Bitcoins	130	–
Ethereum	34	–
Wrapped ethereum	1	–
	165	–

The cryptocurrencies are traded in active markets (such as trading and exchange platforms) and their net realisable values are determined based on their fair values using their quoted market prices at the end of the reporting period. For the purpose of estimating the selling price, the relevant available markets are identified by the Group, and then the Group considers accessibility to, and activity within those markets in order to identify the principal cryptocurrency markets for the Group. For this purpose, a market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

20 DERIVATIVE FINANCIAL INSTRUMENTS

	2024 HK$'000	2023 HK$'000
Current assets		
Derivative contracts	2,984	–

The Group is exposed to price fluctuation in bullion products from client orders in its margin dealing business. In order to hedge these exposures, the Group enters into a number of derivative contracts with its hedging counterparties in the normal course of business. These derivative contracts usually have no expiry dates.

The net gain on bullion trading contracts during the year amounted to HK$2,371,000 was recognised in revenue.

21 BALANCES DUE FROM AGENTS

	2024 HK$'000	2023 HK$'000
Balances due from agents	1,885	–

The balances represent margin deposits paid to hedging counterparties and the realised profit or loss from the Group's trading activities under normal course of business. The majority of the balances due from agents are repayable on demand except for certain balance represent margin deposits required for the Group's outstanding derivative contracts with the hedging counterparties. The balances are non-interest bearing. The carrying amounts of the Group's balances due from agents approximate to their fair values.

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22 CASH AND CASH EQUIVALENTS

	2024 HK$'000	2023 HK$'000
Cash and cash equivalents	**44,254**	61,415
Maximum exposure to credit risk	**44,254**	61,415

The carrying amounts of cash and cash equivalents were denominated in the following currencies:

	2024 HK$'000	2023 HK$'000
US$	**30,122**	50,750
HK$	**13,760**	10,425
RMB	**372**	240
	44,254	61,415

23 SHARE CAPITAL

	Number of shares '000	Nominal value HK$'000
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 April 2022, 31 March 2023 and 31 March 2024	**10,000,000**	**100,000**
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 April 2022, 31 March 2023 and 31 March 2024	**400,000**	**4,000**

24 SHARE OPTIONS

The Company has adopted the share option scheme on 29 March 2019. The purpose of the share option scheme is to enable the Group to grant options to the eligible participants as incentives or rewards for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group or any entity in which any member of the Group holds any equity interest.

(a) 2019 share option scheme

On 15 August 2019, the Company has granted a total number of 36,400,000 share options (the "**2019 Share Option**") to certain eligible participants (the "**Grantee(s)**") under the share option scheme which will entitle the Grantees to subscribe for a total number of 36,400,000 shares. The details of 2019 Share Option are summarised as follows:

	% of the total share options	Vesting period	Exercise period
Tranche 1	50%	15 August 2019 to 14 August 2020	15 August 2020 to 14 August 2029
Tranche 2	50%	15 August 2019 to 14 August 2021	15 August 2021 to 14 August 2029

Among the 36,400,000 share options granted above, 4,800,000 share options were granted to two Grantees who are a director and an associate of a director and substantial shareholder of the Company (the "**Connected Grantee(s)**").

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24 SHARE OPTIONS (CONTINUED)

(a) 2019 share option scheme (Continued)

The movements of the share options outstanding under the 2019 Share Option during the years ended 31 March 2024 and 2023 are as follows:

Name and position/capacity of participant	Date of grant	Exercise price (HK$)	Number of share options outstanding as at 1 April 2023	Number of share options granted during the year	Number of share options exercised during the year	Number of share options forfeited during the year	Number of share options cancelled during the year	Number of share options outstanding as at 31 March 2024
Connected Grantees								
Mr. Wong Wing Hoi *(Note (i))*	15 August 2019	0.178	4,000,000	–	–	–	(4,000,000)	–
Mr. Wei Chun Pong Benjamin *(Note (ii))*	15 August 2019	0.178	800,000	–	–	–	(800,000)	–
Employees	15 August 2019	0.178	17,600,000	–	–	–	(17,600,000)	–
Consultant	15 August 2019	0.178	4,000,000	–	–	–	(4,000,000)	–
Total number of share options			26,400,000	–	–	–	(26,400,000)	–

Name and position/capacity of participant	Date of grant	Exercise price (HK$)	Number of share options outstanding as at 1 April 2022	Number of share options granted during the year	Number of share options transferred during the year	Number of share options forfeited during the year	Number of share options cancelled during the year	Number of share options outstanding as at 31 March 2023
Connected Grantees								
Mr. Wong Wing Hoi *(Note (i))*	15 August 2019	0.178	4,000,000	–	–	–	–	4,000,000
Mr. Wei Chun Pong Benjamin *(Note (ii))*	15 August 2019	0.178	800,000	–	–	–	–	800,000
Employees	15 August 2019	0.178	23,600,000	–	–	(6,000,000)	–	17,600,000
Consultant	15 August 2019	0.178	4,000,000	–	–	–	–	4,000,000
Total number of share options			32,400,000	–	–	(6,000,000)	–	26,400,000

Notes:

(i) Mr. Wong Wing Hoi is the executive director of the Company.

(ii) Mr. Wei Chun Pong, Benjamin is an associate of a non-executive director and substantial shareholder.

(EXPRESSED IN HONG KONG DOLLARS)

24 SHARE OPTIONS (CONTINUED)

(a) 2019 share option scheme (Continued)

The 2019 Share Option was measured at fair value at grant date using Black-Scholes model with following key assumptions:

	Tranche 1	Tranche 2
Fair value at grant date (per share)	HK$0.078	HK$0.082
Share price at grant date (per share)	HK$0.162	HK$0.162
Exercise price (per share)	HK$0.178	HK$0.178
Expected life (years)	5.5	6.0
Expected volatility	55.89%	56.23%
Expected dividend yield	0.00%	0.00%
Risk-free interest rate	1.15%	1.15%

The expected price volatility is based on the historic volatility of the Company's share price since being listed on GEM of The Stock Exchange of Hong Kong Limited and adjusted for any expected changes to future volatility due to public available information.

26,400,000 share options were exercisable as at 31 March 2023. The weighted average remaining contractual life of options outstanding as at 31 March 2023 was 6.38 years. During the year ended 31 March 2024, all outstanding share options have been cancelled.

For the year ended 31 March 2024 and 2023, no share-based payment expenses were charged to the consolidated statement of profit or loss and other comprehensive income.

(b) 2020 share option scheme

On 3 November 2020, the Company has granted a total number of 1,600,000 share options (the "**2020 Share Option**") to the Grantees under the share option scheme which will entitle the Grantees to subscribe for a total number of 1,600,000 shares. The details of 2020 Share Option are summarised as follows:

	% of the total share options	Vesting period	Exercise period
Tranche 1	50%	3 November 2020 to 2 November 2021	3 November 2021 to 2 November 2030
Tranche 2	50%	3 November 2020 to 2 November 2022	3 November 2022 to 2 November 2030

Among the 1,600,000 share options granted above, 800,000 share options were granted to one Connected Grantee who is a director.

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24 SHARE OPTIONS (CONTINUED)

(b) 2020 share option scheme (Continued)

The movements of the share options outstanding under the 2020 Share Option during the years ended 31 March 2024 and 2023 are as follows:

Name and position/capacity of participant	Date of grant	Exercise price (HK$)	Number of share options outstanding as at 1 April 2023	Number of share options granted during the year	Number of share options exercised during the year	Number of share options forfeited during the year	Number of share options cancelled during the year	Number of share options outstanding as at 31 March 2024
Connected Grantee								
Mr. Wong Wing Hoi *(Note (i))*	3 November 2020	**0.095**	**800,000**	**–**	**–**	**–**	**(800,000)**	**–**

Name and position/capacity of participant	Date of grant	Exercise price (HK$)	Number of share options outstanding as at 1 April 2022	Number of share options granted during the year	Number of share options exercised during the year	Number of share options forfeited during the year	Number of share options cancelled during the year	Number of share options outstanding as at 31 March 2023
Connected Grantee								
Mr. Wong Wing Hoi *(Note (i))*	3 November 2020	0.095	800,000	–	–	–	–	800,000

Note:

(i) Mr. Wong Wing Hoi is the executive director of the Company.

24 SHARE OPTIONS (CONTINUED)

(b) 2020 share option scheme (Continued)

The 2020 Share Option was measured at fair value at grant date using Black-Scholes model with following key assumptions:

	Tranche 1	Tranche 2
Fair value at grant date (per share)	HK$0.046	HK$0.046
Share price at grant date (per share)	HK$0.095	HK$0.095
Exercise price (per share)	HK$0.095	HK$0.095
Expected life (years)	5.5	6.0
Expected volatility	55.27%	54.01%
Expected dividend yield	0.20%	0.20%
Risk-free interest rate	0.29%	0.29%

The expected price volatility is based on the historic volatility of the Company's share price since being listed on GEM of The Stock Exchange of Hong Kong Limited and adjusted for any expected changes to future volatility due to public available information.

800,000 share options were exercisable as at 31 March 2023. The weighted average remaining contractual life of options outstanding as at 31 March 2023 was 7.6 years. During the year ended 31 March 2024, all outstanding share options have been cancelled.

For the year ended 31 March 2024, the Group recognised share-based payment expenses amounting to approximately HK$Nil (2023: HK$8,000), which has been charged to the consolidated statement of profit or loss and other comprehensive income.

25 OTHER RESERVES

	Share premium HK$'000	Capital reserve HK$'000	Share-based payment reserve HK$'000	Foreign currency translation HK$'000	Total HK$'000
Balance at 1 April 2022	34,992	7,500	2,611	–	45,103
Other comprehensive loss for the year					
Exchange differences on translation of a foreign operation	–	–	–	(1)	(1)
Transaction with owners in their capacity as owners					
Share-based payment expenses *(Note 24)*	–	–	8	–	8
Share option lapsed	–	–	(478)	–	(478)
Balance at 31 March 2023	34,992	7,500	2,141	(1)	44,632
Balance at 1 April 2023	**34,992**	**7,500**	**2,141**	**(1)**	**44,632**
Other comprehensive loss for the year					
Exchange differences on translation of a foreign operation	**–**	**–**	**–**	**(11)**	**(11)**
Transaction with owners in their capacity as owners					
Share options cancelled	**–**	**–**	**(2,141)**	**–**	**(2,141)**
Balance at 31 March 2024	**34,992**	**7,500**	**–**	**(12)**	**42,480**

Capital reserve of HK$7,500,000 represented the difference between the share capital of GES, RLT and WIL acquired over the nominal value of the share capital of the Company issued in exchange thereof as part of the reorganisation prior to the listing of the Company.

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26 ACCRUALS AND OTHER PAYABLES

	2024 HK$'000	2023 HK$'000
Accrued payroll and employee benefits	**1,730**	2,451
Accrued expenses and other payables	**1,082**	1,390
Accruals and other payables	**2,812**	3,841

The Group's accruals and other payables were denominated in the following currencies:

	2024 HK$'000	2023 HK$'000
US$	**111**	174
HK$	**2,614**	3,569
RMB	**87**	98
	2,812	3,841

All accruals and other payables were expected to be settled within one year.

27 DEPOSITS RECEIVED FROM CLIENTS

The balances represent margin deposits received from clients and balances with clients as a result of the realised gain or loss from their trading activities under normal course of business. The majority of the deposits from clients are unsecured, interest-free and repayable on demand except for certain balances representing margin deposits required for the outstanding derivative contracts. The carrying amounts approximate to their fair values.

28 DEFERRED INCOME TAX

(a) Deferred income tax assets

The movements in deferred income tax assets arising from tax losses during the years were as follows:

	2024 HK$'000	2023 HK$'000
At beginning of the year	**92**	155
Credited/(charged) to the consolidated statement of profit or loss and other comprehensive income	**225**	(63)
At end of the year	**317**	92

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28 DEFERRED INCOME TAX (CONTINUED)

(b) Deferred income tax liabilities

The movements in deferred income tax liabilities arising from temporary differences of property and equipment during the years were as follows:

	2024 HK$'000	2023 HK$'000
At beginning of the year	**429**	449
Credited to the consolidated statement of profit or loss and other comprehensive income	**(72)**	(20)
At end of the year	**357**	429

(c) Deferred income tax not recognised

As at 31 March 2024, the Group did not recognise deferred income tax assets in respect of losses of approximately HK$81,489,000 (2023: HK$Nil). Unrecognised tax losses amounting to approximately HK$100,000 (2023: HK$Nil) will be expired within 5 years, while the remaining balances can be carried forward indefinitely.

29 PROVISION FOR LONG SERVICE PAYMENTS

Under the Hong Kong Employment Ordinance, the Group is obligated to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employees' final salary and years of service, and is reduced by entitlements accrued under the Group's retirement plan that are attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

As disclosed in Note 2.2, in June 2022, the Hong Kong Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendments**"). The Amendments will come into effect prospectively from 1 May 2025 to be appointed by the Hong Kong Government ("**Transition Date**"). The Amendments result in (i) change in the offsetting arrangement, such that the accrued benefits attributable to the employers' mandatory contributions under the Mandatory Provident Fund and certain employers' contributions under the Occupational Retirement Schemes would no longer be eligible to offset against LSP accrued from the Transition Date; and (ii) change of the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

The liability recognised in the consolidated statement of financial position is determined as follows:

	2024 HK$'000	2023 HK$'000
Provision for LSP	**405**	–

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29 PROVISION FOR LONG SERVICE PAYMENTS (CONTINUED)

Movements in the liability recognised in the consolidated statement of financial position are as follows:

	2024 HK$'000	2023 HK$'000
At beginning of the year	–	–
Current service cost	405	–
At end of the year	405	–

The total charge amounted to HK$405,000 has been included in employee benefit expense.

The principal actuarial assumptions used are as follows:

	2024	2023
Discount rate	3.30%	–
Future salary increases	0.74%	–

The sensitivity of provision for LSP to changes in the assumption is:

	Impact on provision for LSP		
	Changes in assumption	Increase in assumption	Decrease in assumption
As at 31 March 2024			
		Decrease by	Increase by
Discount rate	0.5%	11%	11%
Future salary increases	0.5%	–	–

The weighted average duration of provision for LSP is 23.43 years.

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30 DIVIDENDS

(a) Dividend payable to owners of the Company attributable to the year

	2024 HK$'000	2023 HK$'000
Final dividend proposed after the end of the reporting period of HK$0.002 (2023: HK$0.001) per ordinary share	**800**	400

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(b) Dividend payable to owners of the Company attributable to the previous financial year, approved and paid during the year

	2024 HK$'000	2023 HK$'000
Final dividend proposed in respect of the previous financial year, approved and paid during the year, of HK$0.001 (2023: HK$0.002) per ordinary share	**400**	800

31 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(a) Classification of financial assets at FVTPL

The Group classifies the following financial assets at FVTPL:

– debt investments that do not qualify for measurement at either amortised cost or financial asset at fair value through other comprehensive income;

– equity investments that are held for trading; and

– equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income.

Financial assets mandatorily measured at FVTPL include the following:

	2024 HK$'000	2023 HK$'000
Non-current assets		
Listed fund investments	**8,840**	7,625

(b) Amounts recognised in profit or loss

During the year, the following gain/(loss) were recognised in profit or loss:

	2024 HK$'000	2023 HK$'000
Fair value gain/(loss) on listed fund investments at FVTPL recognised in other net income *(Note 6)*	**1,238**	(692)
Gain on disposals of listed fund investments at FVTPL recognised in other net income *(Note 6)*	**–**	7
	1,238	(685)

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32 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Cash generated from operations

	Note	2024 HK$'000	2023 HK$'000
(Loss)/profit before income tax		**(23,272)**	6,932
Adjustments for:			
– Bank interest income	6	**(1,408)**	(1,398)
– Dividend income	6	**(119)**	(91)
– Interest expense	10	**8**	16
– Depreciation of property and equipment	14	**1,877**	1,966
– Depreciation of right-of-use assets	15	**392**	369
– Amortisation of intangible assets	16	**6,268**	6,045
– Share-based payment expenses		**–**	1
– Loss on write-off of property and equipment	9	**50**	12
– Loss on write-off of intangible asset	9	**8**	–
– Gain on disposals of property and equipment	9	**–**	(3)
– Gain on early termination of lease	6	**(3)**	–
– (Reversal of impairment losses)/impairment losses on financial and contract assets	3.1(b)	**(422)**	4,619
– Bad debts written off		**4,964**	–
– Impairment loss on intangible assets	16	**770**	–
– Provision for LSP	7	**405**	–
– Exchange loss/(gain) of financial assets at FVTPL		**23**	(25)
– Change in fair value of financial assets at FVTPL	6	**(1,238)**	692
– Unrealised change in fair value of derivative financial instruments		**(2,984)**	–
– Gain on disposals of financial assets at FVTPL	6	**–**	(7)
Operating (loss)/profit before working capital changes		**(14,681)**	19,128
Changes in working capital:			
– Decrease/(increase) in trade receivables		**879**	(2,484)
– Decrease/(increase) in deposits, prepayment and other receivables		**757**	(1,182)
– Decrease in balances due from agents		**1,352**	–
– Decrease/(increase) in contract assets		**4,275**	(2,983)
– Increase in cryptocurrencies		**(165)**	–
– (Decrease)/increase in contract liabilities		**(2,258)**	2,500
– Decrease in deposits received from clients		**(1,016)**	–
– Decrease in accruals and other payables		**(7,007)**	(392)
Cash (used in)/generated from operations		**(17,864)**	14,587

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32 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

	Lease liabilities HK$'000
Balance as at 1 April 2022	–
New leases	868
Principal elements of lease payments	(364)
Interest expense *(Note 10)*	16
Interest elements of lease payments	(16)
Balance as at 31 March 2023 and 1 April 2023	**504**
Acquisition of a subsidiary *(Note 33)*	**10**
Principal elements of lease payments	**(396)**
Interest expense *(Note 10)*	**8**
Interest elements of lease payments	**(8)**
Early termination of lease	**(118)**
Balance as at 31 March 2024	**–**

(c) Non-cash transaction

During the year ended 31 March 2023, the Group capitalised share-based payment expenses as development costs of intangible assets, amounting to HK$7,000.

During the year ended 31 March 2023, the Group had non-cash additions to right-of-use assets and lease liabilities of HK$868,000 and HK$868,000, respectively, in respect of lease arrangement for office premise.

33 BUSINESS COMBINATION

On 20 September 2023, MBL, a wholly-owned subsidiary of the Group, entered into the sales and purchase agreement with an independent third party, pursuant to which MBL agreed to purchase entire issued capital of MOL. The transaction has been completed on 25 September 2023.

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33 BUSINESS COMBINATION (CONTINUED)

The following table summarises the fair value of assets acquired and the liabilities assumed at the acquisition date:

	HK$'000
Cash and cash equivalents	8,254
Other receivables	238
Balances due from agents	3,239
Property and equipment	99
Right-of-use assets	10
Intangible assets	1,575
Deposits received from clients	(6,161)
Accruals and other payables	(5,982)
Lease liabilities	(10)
Total identifiable net assets	1,262
Add: Goodwill	427
Cash consideration	1,689

	HK$'000
Inflow of cash to acquire the business, net of cash acquired	
Cash and cash equivalents acquired	8,254
Less: cash consideration	(1,689)
Net inflow of cash – investing activities	6,565

The goodwill is attributable to MOL's synergies expected to arise after the Group's acquisition of this business.

The acquisition-related costs were not significant and were charged directly to other expenses in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2024.

The acquired business contributed revenue of HK$3,215,000 and net profit of HK$1,148,000 to the Group for the period from 25 September 2023 to 31 March 2024. If the acquisition had occurred on 1 April 2023, consolidated pro-forma revenue and loss of the Group for the year ended 31 March 2024 would have been HK$24,991,000 and HK$23,624,000 respectively.

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34 RELATED PARTY TRANSACTIONS

As at 31 March 2024, the directors considered Mr. Wei Ming and Essential Strategy Investments Limited, which is incorporated in British Virgin Islands, as the ultimate controlling shareholder and immediate holding company of the Company, respectively (2023: same).

(a) Significant related party transactions

The Group had the following related party transaction during the year:

Name of party	Nature of transaction	**2024 HK$'000**	2023 HK$'000
Mr. Wei Chun Pong, Benjamin	Employee benefit expenses	**655**	381

Mr. Wei Chun Pong, Benjamin is a close family member of Mr. Wei Ming, the non-executive director of the Company. The above transaction was conducted in the normal course of business of the Company and charged at terms mutually agreed by the parties concerned or in accordance with the terms of the underlying agreements, where appropriate.

(b) Key management compensation

Compensation of key management personnel of the Group, including directors' emoluments as disclosed in Note 8 to the consolidated financial statements, was as follows:

	2024 HK$'000	2023 HK$'000
Salaries and allowances	**3,052**	3,320
Discretionary bonuses	**1,612**	800
Pension costs – defined contribution plans	**36**	36
Staff welfare and benefits	**207**	3
Share-based payment expenses	**–**	8
	4,907	4,167

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35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Note	2024 HK$'000	2023 HK$'000
ASSETS			
Non-current assets			
Investment in a subsidiary		**69,942**	69,942
Current assets			
Prepayments		**165**	195
Amounts due from subsidiaries		**5,638**	8,067
Cash and cash equivalents		**132**	156
		5,935	8,418
Total assets		**75,877**	78,360
EQUITY			
Equity attributable to owners of the Company			
Share capital	*23*	**4,000**	4,000
Other reserves	*35(b)*	**104,934**	107,075
Accumulated losses	*35(b)*	**(34,058)**	(34,097)
Total equity		**74,876**	76,978
LIABILITIES			
Non-current liabilities			
Provision for LSP		**58**	–
Current liabilities			
Accruals		**943**	1,382
Total liabilities		**1,001**	1,382
Total equity and liabilities		**75,877**	78,360

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35 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserve movement of the Company

	Share premium HK$'000	Capital reserve HK$'000	Share-based payment reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
Balance at 1 April 2022	34,992	69,942	2,611	(31,873)	75,672
Total comprehensive loss					
Loss and other comprehensive loss for the year	–	–	–	(1,902)	(1,902)
Transaction with owners in their capacity as owners					
Dividends paid *(Note 30(b))*	–	–	–	(800)	(800)
Share-based payment expenses *(Note 24)*	–	–	8	–	8
Share option lapsed	–	–	(478)	478	–
Balance at 31 March 2023	34,992	69,942	2,141	(34,097)	72,978
Balance at 1 April 2023	**34,992**	**69,942**	**2,141**	**(34,097)**	**72,978**
Total comprehensive loss					
Loss and other comprehensive loss for the year	**–**	**–**	**–**	**(1,702)**	**(1,702)**
Transaction with owners in their capacity as owners					
Dividends paid *(Note 30(b))*	**–**	**–**	**–**	**(400)**	**(400)**
Share options cancelled	**–**	**–**	**(2,141)**	**2,141**	**–**
Balance at 31 March 2024	**34,992**	**69,942**	**–**	**(34,058)**	**70,876**

The capital reserve of the Company represents the aggregated net asset value of the subsidiaries acquired by the Company pursuant to the reorganisation.

Financial Summary

	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000	2020 HK$'000
RESULTS					
Revenue	**22,791**	52,577	50,035	42,729	42,957
(Loss)/profit before tax	**(23,272)**	6,932	13,955	15,598	9,917
Income tax credit/(expense)	**296**	(1,221)	(2,734)	(2,566)	(3,158)
(Loss)/profit for the year	**(22,976)**	5,711	11,221	13,032	6,759
ASSETS AND LIABILITIES					
Non-current assets	**60,413**	59,882	57,548	59,280	54,836
Current assets	**54,972**	77,494	72,081	71,483	62,171
Non-current liabilities	**(762)**	(495)	(449)	(581)	(728)
Current liabilities	**(8,291)**	(7,162)	(4,379)	(16,245)	(15,696)
Net assets	**106,332**	129,719	124,801	113,937	100,583
Equity attributable to owners of the Company:					
Share capital	**4,000**	4,000	4,000	4,000	4,000
Other reserves	**42,480**	44,632	45,103	44,660	43,538
Retained earnings	**59,852**	81,087	75,698	65,277	53,045
Total equity	**106,332**	129,719	124,801	113,937	100,583

Definitions

In this report, unless the context otherwise requires, the following expressions have the following meaning:

"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Articles"	the amended and restated articles of association of the Company adopted on 28 July 2022 as amended, supplemented or otherwise modified from time to time
"Audit Committee"	the audit committee of the Board
"AUTON"	a trading terminal targeted to be used by retail investors for trading both OTC-traded and stock exchange-traded financial instruments, one of the Group's internally-developed financial trading solutions
"Board"	the board of Directors
"CG Code"	Corporate Governance Code set out in Appendix C1 of the GEM Listing Rules
"Chairman"	the chairman of the Board, as appointed and designated from time to time
"Chief Executive Officer"	the chief executive officer of the Company, as appointed and designated from time to time
"close associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Companies Act"	the Companies Act (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company"	Novacon Technology Group Limited (連成科技集團有限公司), a company incorporated as an exempted company with limited liability in the Cayman Islands on 7 February 2018
"Controlling Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Director(s)"	the director(s) of the Company
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"GES EX"	a trading system targeted to be used by brokers for trading stock exchange-traded financial instruments, one of the Group's internally-developed financial trading solutions
"GES IX"	a fund management system targeted to be used by wealth management companies and their clients (such as fund subscribers) to administer their funds and manage their clients' investment portfolios, one of the Group's internally-developed financial trading solutions

Definitions

"GES TX"	a trading system targeted to be used by brokers, dealers, back office operators and accounting staff for trading OTC-traded financial instruments, one of the Group's internally-developed financial trading solutions
"Group"	the Company and its subsidiaries, or any of them or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at that time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the People's Republic of China
"Listing"	the listing of the Shares on GEM of the Stock Exchange on 2 May 2019
"Listing Date"	2 May 2019, the date on which the Shares were listed on GEM of the Stock Exchange
"Nomination Committee"	the nomination committee of the Board
"OTC-traded financial instruments"	over-the-counter-traded financial instruments, which are contracts that are traded (and privately negotiated) directly between two parties, without going through an exchange or other intermediary
"PRC"	the People's Republic of China, which for the purpose of this report shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Prospectus"	the prospectus of the Company published on 15 April 2019 in connection with the Listing
"Remuneration Committee"	the remuneration committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of nominal value of HK$0.01 each in the share capital of the Company
"Share Option Scheme"	the share option scheme of the Company adopted by the Shareholders on 29 March 2019
"Share Options"	the share options granted by the Company pursuant to the Share Option Scheme
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	the United States dollars, the lawful currency of the United States of America
"Xentrix"	a back office settlement system targeted to be used by back office operators, which facilitates the automation of back office operations for financial institutions, including settlement, clearing and reporting for stock exchange-traded financial instruments
"%"	per cent