Royal Century Resources Holdings Limited
仁德資源控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 8125)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

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

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

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

The board of directors (the "**Directors**" and the "**Board**", respectively) of Royal Century Resources Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") announces the audited annual results of the Company and its subsidiaries for the year ended 31 March 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2024

	Notes	**2024** ***HK$'000***	2023 *HK$'000*
Revenue	*4*	**87,603**	55,761
Cost of sales		**(78,573)**	(53,646)
Gross profit		**9,030**	2,115
Other income		**952**	1,417
Other gains, net		**2,837**	991
Impairment of intangible assets		**(639)**	(2,678)
Reversal of allowance for (Allowance for) expected credit loss ("**ECL**") on loan and interest receivables		**174**	(721)
Allowance for ECL on trade receivables		**(332)**	(1,680)
(Allowance for) Reversal of allowance for ECL on contract assets		**(45)**	19
Change in fair value of an investment property		**500**	3,300
Administrative expenses		**(22,167)**	(26,762)
Finance costs		**(734)**	(797)
Loss before tax	*6*	**(10,424)**	(24,796)
Income tax credit	*5*	**634**	232
Loss for the year attributable to owners of the Company		**(9,790)**	(24,564)
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**–**	136
Release of exchange reserve upon deregistration of subsidiaries		**18**	–
Total comprehensive loss for the year attributable to owners of the Company		**(9,772)**	(24,428)
		HK$	*HK$* (Restated)
Loss per share:			
Basic and diluted	*8*	**(0.12)**	(0.76)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Property, plant and equipment		**7,712**	14,134
Right-of-use assets		**1,809**	8,190
Goodwill		**–**	–
Intangible assets		**2,460**	3,099
		11,981	25,423
Current assets			
Loan and interest receivables	*9*	**2,142**	4,770
Inventories		**1,102**	1,304
Trade and other receivables	*10*	**23,280**	15,378
Contract assets		**6,517**	2,110
Cash and bank balances		**45,690**	5,915
		78,731	29,477
Non-current asset held for sale		**–**	29,500
		78,731	58,977
Current liabilities			
Trade and other payables	*11*	**13,839**	19,320
Contract liabilities		**1,050**	1,594
Income tax payable		**113**	93
Lease liabilities		**1,902**	6,816
		16,904	27,823
Net current assets		**61,827**	31,154
Total assets less current liabilities		**73,808**	56,577

	Note	**2024**	2023
		HK$'000	*HK$'000*
Non-current liabilities			
Deferred tax liabilities		**307**	961
Lease liabilities		**–**	2,634
Other borrowing		**–**	5,000
		307	8,595
NET ASSETS		**73,501**	47,982
Equity			
Share capital	*12*	**240,814**	205,523
Reserves		**(167,313)**	(157,541)
TOTAL EQUITY		**73,501**	47,982

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION

Royal Century Resources Holdings Limited (the "**Company**") was incorporated in Hong Kong as a company with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The address of the registered office and principal place of business of the Company is located at Suite 2201, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (together the "**Group**") are principally engaged in:

(i) provision of design, fitting out and engineering and procurement of furnishings and related products services;

(ii) leasing of construction equipment and provision of related installation services;

(iii) sourcing and merchandising of fine and rare wines; and

(iv) provision of financial services comprising securities advisory services, securities dealing and brokerage services and asset management services and money lending.

The consolidated financial statements are presented in thousands ("**HK$'000**") of Hong Kong dollars ("**HK$**"), unless otherwise stated, which is also the functional currency of the Company and its Hong Kong subsidiaries.

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

(a) Application of new and revised HKFRSs

The Group has applied the Amendments to Reference to the Conceptual Framework in HKFRS and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

HKAS 1 (Revised) (Amendments)	Disclosure of Accounting Policies
HKFRS Practice Statement 2 (Amendment)	Making Materiality Judgements
HKAS 8 (Amendments)	Accounting Policies, Change in Accounting Estimates and Errors
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKAS 12 (Amendment)	International Tax Reform – Pillar Two Model Rules
HKFRS 17	Insurance Contract

The Group did not change its accounting policies or make retrospective adjustments as a result of adopting the abovementioned amended standards or annual improvements.

(b) New and revised HKFRSs in issue but not yet effective

The Group has not applied any new and revised HKFRSs that have been issued but are not yet effective for the financial year beginning on 1 April 2023. These new and revised HKFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 10 and HKAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback[2]	1 January 2024
Amendments to HKAS 1: Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)	1 January 2024
Amendments to HKAS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21: Lack of Exchangeability	1 January 2025

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the executive directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in services.

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

(a) Provision of design, fitting out, engineering and procurement of furnishings and related products services ("**Design, fitting out and engineering services**");

(b) Leasing of construction equipment and provision of related installation services ("**Leasing of construction equipment**");

(c) Sourcing and merchandising of fine and rare wines ("**Wines merchandising**"); and

(d) Financial services business comprising securities advisory services, securities dealing and brokerage services and asset management services and money lending ("**Financial services business**").

For the purposes of assessing segment performance and allocating resources among segments, the Company's executive Directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenues and expenses are allocated to the operating segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation of assets attributable to those segments. The measure used for reporting segment results is loss before tax without allocation of other unallocated corporate expenses and income.

Segments assets include all assets except for corporate assets which are managed on a group basis. All liabilities are allocated to reportable segment liabilities other than unallocated head office and corporate liabilities which are managed on a group basis and certain other payables and accrued charges.

For the purpose of assessing the performance of the operating segments and allocation of resources among segments, the Group's results are further adjusted for items not specifically attributed to individual segments and other head office and corporate administrative costs.

Segment revenue and results

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

For the year ended 31 March 2024

	Design, fitting out and engineering services *HK$'000*	Leasing of construction equipment *HK$'000*	Wines merchandising *HK$'000*	Financial services business *HK$'000*	Total *HK$'000*
Segment revenue	71,972	12,966	2,214	451	87,603
Segment operating (loss) profit	(6,386)	3,746	551	(276)	(2,365)
Impairment of intangible assets	–	–	–	(779)	(779)
Segment (loss) profit	(6,386)	3,746	551	(1,055)	(3,144)
Unallocated:					
Other income					952
Other gains, net					(27)
Corporate administrative expenses					(8,571)
Change in fair value of investment property					500
Finance costs					(134)
Loss before tax					(10,424)

For the year ended 31 March 2023

	Design, fitting out and engineering services *HK$'000*	Leasing of construction equipment *HK$'000*	Wines merchandising *HK$'000*	Financial services business *HK$'000*	Total *HK$'000*
Segment revenue	45,910	6,756	2,525	570	55,761
Segment operating (loss) profit	(7,083)	(10,492)	223	(1,549)	(18,901)
Impairment of intangible assets	–	–	–	(2,067)	(2,067)
Segment (loss) profit	(7,083)	(10,492)	223	(3,616)	(20,968)
Unallocated:					
Other income					1,095
Other gains, net					804
Corporate administrative expenses					(8,810)
Change in fair value of investment property					3,300
Finance costs					(217)
Loss before tax					(24,796)

Segment assets and liabilities

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

As at 31 March 2024

	Design, fitting out and engineering services *HK$'000*	Leasing of construction equipment *HK$'000*	Wines merchandising *HK$'000*	Financial services business *HK$'000*	Total *HK$'000*
Segment assets					
Non-current assets					
Property, plant and equipment	5	7,702	–	–	7,707
Intangible assets	–	–	–	1,720	1,720
	5	7,702	–	1,720	9,427
Current assets	17,840	11,597	259	2,242	31,938
Segment assets	17,845	19,299	259	3,962	41,365
Unallocated:					
Cash and bank balances					45,690
Others					3,657
Total assets per consolidated statement of financial position					90,712
Segment liabilities					
Non-current liability					
Deferred tax liabilities	–	–	–	284	284
Current liabilities	6,490	522	–	77	7,089
Segment liabilities	6,490	522	–	361	7,373
Unallocated:					
Others					9,838
Total liabilities per consolidated statement of financial position					17,211

As at 31 March 2023

	Design, fitting out and engineering services *HK$'000*	Leasing of construction equipment *HK$'000*	Wines merchandising *HK$'000*	Financial services business *HK$'000*	Total *HK$'000*
Segment assets					
Non-current assets					
Property, plant and equipment	16	14,116	–	–	14,132
Right-of-use assets	–	4,573	–	–	4,573
Intangible assets	–	–	–	2,499	2,499
	16	18,689	–	2,499	21,204
Current assets	10,235	6,984	464	4,770	22,453
Segment assets	10,251	25,673	464	7,269	43,657
Unallocated:					
Cash and bank balances					5,915
Others					34,828
Total assets per consolidated statement of financial position					84,400
Segment liabilities					
Non-current liabilities					
Deferred tax liabilities	–	–	–	413	413
Lease liabilities	–	732	–	–	732
Other borrowing	5,000	–	–	–	5,000
	5,000	732	–	413	6,145
Current liabilities	9,244	6,187	1,325	386	17,142
Segment liabilities	14,244	6,919	1,325	799	23,287
Unallocated:					
Others					13,131
Total liabilities per consolidated statement of financial position					36,418

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

- all assets are allocated to reportable segments other than certain property, plant and equipment, certain right-of-use assets, non-current asset held for sale, certain prepayments, deposits and other receivables and cash and bank balances as these assets are managed on a group basis.

- all liabilities are allocated to reportable segments other than certain accrued expenses and other payables, certain lease liabilities, certain income tax payable and certain deferred tax liabilities as these liabilities are managed on a group basis.

Geographical information

The Group's operations are principally located in Hong Kong, the People's Republic of China (the "**PRC**") and Macau.

The Group's revenue from external customers is presented based on the location of customers. The geographical location of non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, right-of-use assets, and the location of the operation, in the case of goodwill and intangible assets. The analysis of the Group's revenue from external customers and non-current assets by geographical location is as follows:

	Revenue from external customers		Non-current assets	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**46,006**	54,163	**11,981**	25,423
The PRC	**–**	1,598	**–**	–
Macau	**41,597**	–	**–**	–
	87,603	55,761	**11,981**	25,423

The revenue information above is based on the locations of the customers.

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

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

	2024	2023
	HK$'000	*HK$'000*
Customer A[1]	**25,297**	31,303
Customer B[1,2]	**29,352**	N/A
Customer C[1,2]	**12,245**	N/A

1 Revenue from Design, fitting out and engineering services

2 The corresponding revenue in 2023 did not contribute 10% or more of the total revenue of the Group

4. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2024	2023
	HK$'000	*HK$'000*
Design, fitting out and engineering services income	**71,972**	45,910
Rental income from leasing of construction equipment	**12,966**	6,756
Sales of fine and rare wines	**2,214**	2,525
Interest income from money lending	**451**	540
Commission income from introducing brokerage services	**–**	30
	87,603	55,761
Revenue from contracts with customers within HKFRS 15:		
Revenue recognised at a point in time		
– Sales of fine and rare wines	**2,214**	2,525
– Commission income from introducing brokerage services	**–**	30
Revenue recognised over time		
– Design, fitting out and engineering services income	**71,972**	45,910
	74,186	48,465
Revenue from other sources:		
– Rental income from leasing of construction equipment	**12,966**	6,756
– Interest income from money lending calculated using effective interest method	**451**	540
	87,603	55,761

The revenue from contracts with customers within HKFRS 15 is based on fixed price.

The Group has applied practical expedient in paragraph 121 of HKFRS 15 to exempt the disclosure of revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date to its fitting out and engineering services income, design and procurement of furnishings and related product services income and sale of fine and rare wines as the performance obligation is part of a contract that has an original expected duration of one year or less.

5. INCOME TAX CREDIT

	2024	2023
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**–**	–
Macau Complementary Income Tax	**(20)**	–
	(20)	–
Deferred tax	**654**	232
Income tax credit for the year	**634**	232

(a) Under the two-tiered profits tax rates regime in Hong Kong, the first HK$2,000,000 of profits of a qualifying group entity are taxed at 8.25% and profits above HK$2,000,000 are taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

(b) Pursuant to the rules and regulations of the British Virgin Islands (the "**BVI**"), the Group is not subject to any income tax in the BVI.

(c) The PRC corporate income tax in respect of operations in the PRC is calculated at the applicable tax rates on the estimated assessable profits for both years based on existing legislation, interpretations and practices in respect thereof.

(d) Macau Complementary Income Tax is calculated at the progressive rate on the estimated assessable profits. The tax rate is 12% for the year.

6. LOSS BEFORE TAX

The Group's loss before tax has been arrived at after charging (crediting):

	2024	2023
	HK$'000	*HK$'000*
Salaries and wages included in cost of sales	**821**	2,293
Salaries and wages included in administrative expenses:		
Directors' emoluments	**2,191**	3,090
Salaries, wages and other benefits (excluding directors' emoluments)	**4,303**	5,522
Contribution to defined contribution plans* (excluding directors' emoluments)	**190**	254
	7,505	11,159
Cost of inventories sold	**9,866**	12,645
Depreciation of property, plant and equipment	**6,397**	7,510
Depreciation of right-of-use assets	**4,095**	5,729
Auditor's remuneration	**650**	720
Compensation gain on disposal/write-off of construction equipment	**(2,779)**	(157)
Gain on disposal of property, plant and equipment	**–**	(2)
Gain on disposal of right-of-use assets upon early termination	**(253)**	–
Loss on dissolution of subsidiaries	**43**	103
Written-off of other receivables	**135**	–
Lease payment under short-term leases on premises	**301**	431

* *There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.*

7. DIVIDEND

No dividend was paid or proposed during the years ended 31 March 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share amounts is based on the loss for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 78,649 (2023: 32,260) in issue during the year. The loss per share for the year ended 31 March 2023 is restated to reflect the share consolidation and rights issue during the year.

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

	2024	2023
	HK$'000	*HK$'000*
Loss attributable to owners of the Company for the purpose of basic and diluted loss per share	**(9,790)**	(24,564)

	2024	2023
	'000	*'000*
		(Restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**78,649**	32,260

	2024	2023
	HK$	*HK$*
		(Restated)
Loss per share		
Basic and diluted	**(0.12)**	(0.76)

Since there were no potential dilutive shares in issue during the years ended 31 March 2024 and 2023, basic and diluted loss per share are the same for both years.

9. LOAN AND INTEREST RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Loan receivables	**3,000**	6,000
Interest receivables	**310**	310
Less: Allowance for ECL	**(1,168)**	(1,540)
	2,142	4,770

During the year ended 31 March 2024, the loan portfolios of the Group consist of 2 personal loans with principal amount of HK$3 million each. The Group's loan and interest receivables, which arise from the money lending business in Hong Kong, are denominated in HK$. Loan receivables are unsecured, interest-bearing at a rate of 9% (2023: 9%) per annum and matured at the end of the reporting period. The maximum exposure to credit risk at each of the reporting dates is the carrying amount of the receivables mentioned above.

Ageing analysis of the outstanding loans

In January 2024, the Group entered into a settlement agreement with one of the borrowers. Based on the settlement agreement, the Group agreed to waive the partial outstanding interest receivable of approximately HK$198,000 to the borrowers and the principal amount of HK$3,000,000, together with accrued interest of approximately HK$53,000 were fully settled in January 2024.

During the year ended 31 March 2024, the Group has received partial outstanding interest receivables of HK$200,000 from another borrower, and the Group would make endeavour effort to collect the outstanding principal and accrued interests in due course.

The aged analysis of loan and interest receivables (net of impairment) that is not considered to be impaired is as follows:

	2024	2023
	HK'000	*HK$'000*
Past due but not impaired		
more than 180 days	**2,142**	4,770

Basis of Impairment Loss

Since the loan has been overdue for repayment as at 31 March 2024, the probability of default would have increased. However, considering the credit worthiness and by reviewing the past repayment history of the borrower where accrued interest has been settled during the year and/or subsequent to the year, the Group considers the loan is not credit impaired and is categorised as Stage 2 for ECL assessment.

During the year ended 31 March 2024, the Group recognised a reversal of allowance for ECL of approximately HK$174,000 (2023: allowance of ECL of approximately HK$721,000) comprised of an increase in allowance for ECL of approximately HK$575,000 and a reversal of allowance of ECL for approximately HK$749,000 after settlement of one of the loan and interest receivables.

Movement in the Group's allowance for ECL on loan and interest receivables is as follows:

	2024	2023
	HK$	*HK$*
At beginning of the year	**1,540**	819
Allowance for ECL for the year, net	**(174)**	721
Increase in allowance for ECL for the year	**575**	721
Reversal of allowance for ECL for the year	**(749)**	–
Waiver	**(198)**	–
At end of the year	**1,168**	1,540

10. TRADE AND OTHER RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables		
From third parties		
– Sales and service income receivables and lease income receivables	**27,934**	19,176
Less: Allowance for ECL	**(6,643)**	(6,484)
	21,291	12,692
Other receivables		
Deposits, prepayments and advances to suppliers	**1,055**	1,844
Others	**934**	842
	1,989	2,686
Total trade and other receivables	**23,280**	15,378

The Group allows an average credit period ranging from 30 to 60 days (2023: 30 to 60 days) to its trade customers. The following is an aged analysis of trade receivables net of loss allowance based on the invoice date as at the end of the reporting period.

	2024	2023
	HK$'000	*HK$'000*
Within 90 days	**16,004**	8,523
91 to 180 days	**583**	626
181 days to 270 days	**518**	388
271 days to 365 days	**456**	344
More than 365 days	**3,730**	2,811
	21,291	12,692

Movements in the Group's allowance for ECL on trade receivables is as follows:

	2024	2023
	HK$'000	*HK$'000*
At beginning of year	**6,484**	4,812
Allowance for ECL for the year	**332**	1,680
Written-off	**(173)**	(8)
At end of the year	**6,643**	6,484

11. TRADE AND OTHER PAYABLES

		2024	2023
	Note	***HK$'000***	*HK$'000*
Trade payables		**4,766**	7,865
Other payables			
Deposits received		**472**	557
Due to a substantial shareholder	*(a)*	**1,915**	3,112
Accrued expenses and other payables		**6,686**	7,554
Interest payable on other borrowing		**–**	232
		9,073	11,455
Total trade and other payables		**13,839**	19,320

The following is an aging analysis of trade payables based on the invoice date at the end of the reporting period:

	2024	2023
	HK$'000	*HK$'000*
Within 30 days	**1,495**	4,505
More than 30 days but within 90 days	**1,403**	2,471
Over 90 days	**1,868**	889
	4,766	7,865

The average credit period for purchases of goods is 90 days (2023: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Note

(a) With reference to the Company announcement dated 1 February 2024 and 2 February 2024, ChaoShang Group Limited ("**ChaoShang**") has ceased to be a substantial shareholder of the Company and the balance due to ChaoShang has reclassified as other payables included in trade and other payables. The amounts due to ChaoShang are unsecured, interest-free and have no fixed repayment terms.

12. SHARE CAPITAL

		Number of shares		Share capital	
		2024	2023	**2024**	2023
	Notes	***'000***	*'000*	***HK$'000***	*HK$'000*
Authorised		**n/a**	n/a	**n/a**	n/a
Issued and fully paid					
At beginning and end of the reporting period		**156,780**	156,780	**205,523**	205,523
Share consolidation	*(a)*	**(125,424)**	–	**–**	–
Rights issue	*(b)*	**156,780**	–	**36,059**	–
Shares issued expenses	*(b)*	**–**	–	**(768)**	–
		188,136	156,780	**240,814**	205,523

Notes

(a) On 15 September 2023, the director of the Company proposed to implement a share consolidation on the basis that every 5 issued shares would be consolidated into one consolidated share.

Pursuant to an ordinary resolution passed on 2 November 2023, the share consolidation was approved by the shareholders of the Company and has become effective on 3 November 2023. Immediately after the share consolidation, the total number of issued shares of the Company was adjusted from 156,780,000 to 31,356,000.

(b) A rights issue of one rights share for every 5 existing shares held by members on the register of members on 7 November 2023 was made, at an issue price of HK$0.23 per rights share, resulting in the issue of 156,780,000 shares for a total cash consideration, before expenses, of approximately HK$36,059,000.

13. COMMITMENTS

At the end of the reporting period, the Group did not have any significant contractual commitments.

14. EVENTS AFTER THE REPORTING PERIOD

On 17 January 2024, the Company entered into a conditional shares placing agreement ("**Placing Agreement**") with a securities firm ("**Placing Agent**") pursuant to which the Placing Agents has conditionally agreed, as agent of the Company, to procure, on a best effort basis, not less than six placees who are independent third parties (the "**Shares Placing**") to subscribe for a maximum of 37,627,200 new shares ("**Placing Share(s)**") of the Company at the placing price of HK$0.201 per Placing Share under the specific mandate subject to shareholders' approval at the extraordinary general meeting of the Company. Completion of the Shares Placing took place on 23 April 2024 in accordance with the terms and conditions of the Placing Agreement. The 37,627,200 Placing Shares have been placed and represent approximately 20% and 16.67% of the issued share capital of the Company immediately before and after the completion of the Shares Placing.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

The total revenue for the year ended 31 March 2024 of the Group was approximately HK$87.6 million (2023: HK$55.8 million) which represents approximately HK$31.8 million or 57.1% increase as compared with last year.

Breakdown of revenue by segments is as follows:

	For the year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Design, fitting out and engineering services	**71,972**	45,910
Leasing of construction equipment	**12,966**	6,756
Wines merchandising	**2,214**	2,525
Financial services	**451**	570
	87,603	55,761

During the year ended 31 March 2024, the Group has no material changes in its operations. The revenue generated from the Design, fitting out and engineering services business has increased by approximately HK$26.1 million, and the income from the Leasing of construction equipment business has increased by approximately HK$6.2 million, whilst the Wine merchandising business and the Financial services business has decreased by approximately HK$0.3 million and HK$0.1 million respectively, leaving the Group's revenue to increase by approximately HK$31.8 million:

(1) The increase in revenue generated from the Design, fitting out and engineering services was mainly due to the increase in the number of works attributable to the increase in the number of public housing estates for the new 3-year term contract that was commenced from April 2022, and the increase in contract sum of construction contracts being awarded from public and private section works.

(2) The increase in revenue from the Leasing of construction equipment was mainly due to the increase in the lease out rate of the scaffolding equipment as a consequence of the increase in demand from the leasing of construction equipment attributable to the HKSAR Government's commitment to forge ahead with the supply of public housing.

(3) The decrease in revenue generated from the wine merchandising business was mainly due to the decrease in orders from existing customers and the reallocation of the Group's resources from the wine merchandising business to the Design, fitting out and engineering services business and the Leasing of construction equipment.

(4) The revenue from the Financial services business was maintained at the similar level and was approximately the same as last year.

Gross Profit

The Group recorded a gross profit of approximately HK$9.0 million (2023: HK$2.1 million) for the year ended 31 March 2024, representing an increase of approximately HK$6.9 million.

The gross profit of the Group by segments is as follows:

	For the year ended 31 March	
	2024	2023
	HK$'000	*HK$'000*
Design, fitting out and engineering services	**1,432**	1,445
Leasing of construction equipment	**6,563**	(176)
Wines merchandising	**584**	276
Financial services	**451**	570
	9,030	2,115

Compared with the gross profit of the Group from last year, the increase in the Group's gross profit for the year ended 31 March 2024 of approximately HK$6.9 million was mainly due to the increase in the gross profit of the Leasing of construction equipment attributable to the increase in lease out rate of the scaffolding equipment as mentioned above.

Although there was an increase in revenue from the Design, fitting out and engineering services, the gross profit margin from the Design, fitting out and engineering services was set at a lower level in order to maintain its competitiveness. Moreover, the increase in proportion of revenue from the public housing maintenance, improvement and vacant flat refurbishment works and services which have a lower profit margin as compared to other Design, fitting out and engineering services projects also attributed to the decrease in the gross profit of the Design, fitting out and engineering services.

The gross profit from the two remaining segments, the Wine merchandising and the Financial services was maintained at a similar level as compared with last year.

Loss for the year

Other income

The decrease in other income, gains and losses for the year ended 31 March 2024 was mainly due to the absence of government subsidies during the year.

Other gains, net

The increase in other gains, net for the year ended 31 March 2024 was mainly due to the one-off compensation gain on disposal/written off of construction equipment during the year.

Administrative expenses

The decrease in administrative expenses for the year ended 31 March 2024 was mainly due to the effective cost control in administration and operations as a consequence of the decrease in advertising expenses, staff costs, office and sundry expenses, and rental expenses.

Impairment of intangible assets

For the SFO Licenses included in "intangible assets", the Group has appointed independent qualified professional valuer to perform an appraisal of the recoverable amount of the SFO Licenses as at 31 March 2024. Same as the prior year, the recoverable amount of Financial services business segment CGU have been determined based on fair value less costs of disposal using the replacement cost approach, which is higher than value in use. The key assumptions used in estimating the fair value of Financial services business segment CGU under the replacement cost approach include the estimation of cost of obtaining such licenses and relevant transaction cost. The recoverable amount of Financial services business segment CGU based on the fair value less costs of disposal was approximately HK$1,720,000 (2023: HK$2,499,000). Accordingly, having compared with the carrying amount of Financial services business segment CGU, impairment loss of approximately HK$779,000 was recognised for the year ended 31 March 2024.

For the cross-boundary vehicle licence included in “intangible assets”, the Group has appointed independent qualified professional valuer to perform an appraisal of the recoverable amount of the cross-boundary vehicle licence as at 31 March 2024. The recoverable amount of the cross-boundary vehicle licence has been determined on the fair value less costs of disposal (2023: value in use) using market comparable approach, which is higher than value in use. The recoverable amount of the cross-boundary vehicle licence based on the fair value less costs of disposal was approximately HK$740,000 (2023: value in use of approximately of HK$600,000). Accordingly, having compared with the carrying amount of the cross-boundary licence, a reversal of impairment loss of approximately HK$140,000 was recognised for the year ended 31 March 2024.

BUSINESS REVIEW AND PROSPECTS

Design, fitting out and engineering services business

The Group expects to reduce the scale of the public housing maintenance, improvement and vacant flat refurbishment works and services and is currently reformulating the mix of the design, fitting out and engineering services business and redistributing its resources to seek for other projects to sustain the Group’s Design, fitting out and engineering services business. Apart from submitting tenders to the Hong Kong Housing Authority such as waterproofing and reroofing works, the Group is actively in negotiation with other contractors for the opportunities to be engaged in other fitting out and engineering projects in the public and private sectors.

It is the Group’s strategy to develop business relationship with the existing contractors and customers to coordinate and negotiate for further works and services as well as for introducing new contractor(s) and customer(s). The Group expects such exploration and development will further broaden and strengthen the income stream and the sustainability of the Group’s design, fitting out and engineering services business.

Leasing of construction equipment business

The Group has concluded certain project(s)/order(s) and delivered the scaffolding equipment which attributed to the significant increase in rental income recognised during the year. The Group aims to build and pursuit business relationship/co-operation with the existing customers in order to develop steady and sustainable business operations.

The Group would continue to seek for potential contractors/customers and coordinate/negotiate with the existing customers for further projects/orders and for introducing potential customers. The Group expects the leasing of construction equipment business continue to be a major source of income attributable to the Group in the coming years.

Wine merchandising business

The Group would continue to negotiate with the existing customers for the sale of fine and rare wines and seek for potential customers. The Group would carry out the wine merchandising business at a moderate level.

Financial services business

The provision of financial services business comprises securities business and money lending business.

Securities business

The Group is engaged in licensed securities business under the Securities and Futures Commission of Hong Kong ("**SFC**") to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities. However, due to the lack of funding for fulfilling the licensing requirements of the SFC and as working capital to expand the business, there are conditions imposed on the regulated activities. As a result, the Group is not able to provide full services under the business.

In August 2023, Hong Kong government announced to establish a task force to pitch proposals to increase the liquidity of the Hong Kong stock market and strengthen Hong Kong's competitiveness as an international financial centre. In addition, in the same month, the China Securities Regulatory Commission and the SFC reached consensus on the introduction of block trading under the Stock Connect arrangement for offshore investors to conduct block trades via Northbound Trading on the Shanghai and Shenzhen stock exchanges and for investors from Mainland China to conduct manual trades via Southbound Trading on the Stock Exchange. This cross-border block trading initiative is intended to enhance the Stock Connect arrangements, make available more trading mechanisms, enhance trading efficiency and promote the mutual development of both capital markets in China and Hong Kong.

The Board believes that both the Chinese and Hong Kong governments are determined and serious in strengthening the competitiveness of the Hong Kong stock market as an international financial centre by taking forward measures in the short, medium and long term. Being encouraged by these top down favourable policies of the Hong Kong and Chinese governments, the Board considers it beneficial for the Group to seize this opportunity to expand its securities business to tap on the development opportunities offered by such government initiatives. As such, the Board intends to uplift the licensing conditions in order to be able to operate its securities business in full scale (being able to conduct underwriting, placing, margin financing, portfolio management, etc.). Accordingly, the Group has proposed a rights issue to raise approximately HK$36 million, of which, as to approximately HK$20 million be used to fulfill the minimum paid-up capital licensing requirement (for providing margin financing), upgrading the hardware/software of its trading platform and recruiting additional personnel in line with the widening of services/products offerings. It is expected that the Group's securities business will be able to provide full services in around mid-2024, by which time the overall government initiatives should have been formulated and, at least, partially implemented.

Money lending business

The money lending business focuses on potential corporate or personal borrowers including well-established business and wealthy and reputable individuals ranged from executives, businessmen and professionals. The potential borrower(s) are generally induced through (i) the management team of the Group; (ii) direct approaches from potential borrowers; and (iii) referral from existing borrower(s). The Group adopts a prudent approach to carry out the money lending business with sourcing of its funds from internally generated cash resources.

Before granting loans to potential borrower(s), the Group uses an internal credit assessment process to assess the potential borrower's credit quality and defines credit limits granted to borrowers. Limits attributed to borrowers are reviewed by the management regularly.

During the year ended 31 March 2024, the loan portfolios of the Group consists of 2 unsecured personal loans with initial principal amount of HK$3 million each. The loans are granted in prior year and are renewed with a term of 1 year in March 2021 which are unsecured and interest bearing at 9% per annum. All the borrowers and their ultimate beneficial owner (if applicable) of the outstanding loans are independent third parties of the Group.

The Group has established its money lending policies/manuals (the "**Manuals**"), including the procedures in relation to the implementation of Anti Money Laundering and Counter-Terrorist Financing System and credit assessment procedure to regulate the money lending business operation to ensure a comprehensive risk management so as to safeguard the Group's and, most importantly, the shareholders' interest.

In general, each loan application must go through three stages before granting to the borrower, namely (i) document collection and verification; (ii) credit risk assessment; and (iii) approval. The Manuals has set out, among others, (i) a list of documents and information required for each loan application; (ii) the general framework of the credit assessment process including but not limited to the factors to be considered such as the applicant's background, financial and repayment abilities, credit worthiness and intended use of the loan; and (iii) the approval authorisation for each type of loan application.

Credit approval process

The following is a summary of the general guidelines of assessing loan applications by the management team (the "**Management Team**") of the money lending business:

(A) Identity proof – identity card and passport from individuals and business registration certificate, certificate of incorporation and the constitutional documents from corporate entities must be provided for verification;

(B) Address proof – utility bills, bank/credit card statements or formal correspondence issued by either a governmental department or statutory body is required to be produced;

(C) Repayment ability assessment – to assess the repayment ability of each borrower, in addition to the background search, the Management Team checks the availability of guarantor, where applicable, past payment record and any other available information to evaluate the repayment ability of the borrower(s); and

(D) Credit worthiness assessment – Searches and background checks would be conducted upon potential clients such as bankruptcy or winding up search and litigation search; background search and media searches.

Based on the above procedures, the Group considers that the credit risk and the risk of breaching the relevant laws and regulations in connection with anti-money laundering or anti-terrorist financing are relatively low. Nonetheless, the Group has in place all necessary measures to mitigate the risk of money laundering or terrorist financing risk of potential borrowers' businesses, such as the nature and details of the business/occupation/employment of the potential borrower; the anticipated level and nature of the activity; location of potential borrower; the expected source and origin of the funds; and the initial and ongoing source(s) of wealth or income.

All loans being granted should be approved, on a case-by-case basis including a set of standardised know-your-customer procedures and due diligence process. During the process, the management team of the money lending business should obtain and verify the income proof/cash flow proof of the applicant, and if securities/collateral involved, the asset proof.

After credit assessment and review of the loan applications, with the loan terms determined (having taken into consideration factors such as the credit risks of the borrowers, their recoverability and the prevalent market interest rates), loan documents will be prepared by the Management Team and the loans will be recommended for the review of the director(s) of the money lending business prior to reporting to the Board or approval (as the case may be). The director(s) of the money lending business, will be responsible for the approval of loans in relatively smaller amount, and reporting the same to the Board.

The Management Team would report the potential loan(s) to the Company and the Board for the consideration by its members, if it is of larger amount (i.e. by assessment of size tests under Chapter 19 of the GEM Listing Rules, may constitute a discloseable transaction or above), in which case, such potential loan(s) shall be reported by the director(s) of the money lending business who will elaborate to the Board such potential loan(s) in contemplation and the recommendations therewith for discussion and approval, the Directors (including the independent non-executive Directors) shall then consider whether such loans are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. Moreover, for any potential loan(s) which may involve connected person(s) as defined under Chapter 20 of the GEM Listing Rules, such loan(s) will be reported to the Board immediately for assessment with respect to size tests and assessment by the Board as elaborated above.

The Manuals further provide the guideline for dealing with loan and interest repayment of default. Generally, the designated officer of the money lending business shall first remind the borrower prior to the due date of the loan. Should the borrower fail to repay the loan and interests promptly, the Manuals set out the loan collection procedure to monitor the recoverability of the loan on an ongoing basis.

Basis of impairment loss

The Group has appointed independent qualified professional valuer to perform an appraisal of the ECL of loan and interest receivables. During the year ended 31 March 2024, the Group recognised a reversal of allowance for ECL of approximately HK$174,000 (2023: allowance of ECL of approximately HK$721,000) comprised of an increase in allowance for ECL of approximately HK$575,000 and a reversal of allowance for ECL of approximately HK$749,000 after settlement of one of the loan and interest receivables. For details, please refer to note 9 to this announcement.

The Group recognises the impairment loss under HKFRS 9 ECL model on loans and interest receivables for each of the reporting periods. The ECL model is a probability-weighted estimate of credit losses, which are measured as the present value of all expected cash shortfall (i.e. the difference between the cashflow due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at original effective interest rate, where the effect of discounting is material.

When estimating the ECL on loan and interest receivables, the Group has considered the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis by comparing the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group has also taken into account forwarding-looking information including actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparties' ability to meet its obligations.

Under the general approach of the ECL model, the assumptions underpinning the Group's for the loan and interest receivables are set out below:

Category	**Definition of category**	**Basis for recognition of ECL provision**
Stage 1	Exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination.	Portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.
Stage 2	Exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired.	Lifetime expected losses (i.e. reflecting the remaining lifetime of the financial asset) is recognised.
Stage 3	Exposures are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.	Lifetime expected losses is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

Practically, in setting the stage for the loan and interest receivables, the Group will consider the characteristic of the loan and interest receivables and recognise the ECL provision according to the respective accounting practice of the Group. The loans have been assessed individually based on the probability of default and exposure of default. Since the outstanding loan has been overdue for repayment as at 31 March 2024, the probability of default would have increased. However, considering the credit worthiness and by reviewing the past repayment history of the borrowers where accrued interests have been settled during the period and/or subsequent to the period, the Group considers the loan is not credit-impaired and is categorised as Stage 2 for ECL assessment.

The Board is of the view that the above-mentioned methodology and the basis applied were common and widely used in the market and such approach in measuring the ECL on loan and interest receivables is consistent with practice adopted by Group. The Board considers such methodology and the basis applied are fair and reasonable.

The Group would conduct regular review and carry out follow up actions in respect of overdue amounts to minimise the Group's exposure to credit risk and follow up closely with its borrowers as to the deadlines in payment of interest of the loans. An aging analysis of the debtors is prepared on a monthly basis and is closely monitored to minimise any credit risk associated with these debtors. The Management Team will in turn report the status of the loan portfolio to the Board, such that the Board may closely monitor the loan portfolio and continue to adopt risk control and management strategies while broadening the customer base.

The Group has set up guideline for dealing with outstanding loan and interest repayment. Generally, the Group shall first remind the borrower prior to the due date of the loan. Should the borrowers fail to repay the loan and interests promptly, the Manuals set out the loan collection procedure to monitor the recoverability of the loan on an ongoing basis. While the Group has been in negotiation with the borrowers on the repayments of the outstanding loans, the Group has issued monthly repayment notices to the borrowers and demanding for the repayment of the outstanding principal and interest. The Group would make endeavour effort to collect the outstanding principal in due course.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group financed its operations through equity fund raising and by its internal resources.

As at 31 March 2024, the Group had net current assets of approximately HK$61.8 million (2023: HK$31.2 million), including cash and bank balances of approximately HK$45.7 million (2023: HK$5.9 million).

The current ratio, being the ratio of current assets to current liabilities, was approximately 4.7 times as at 31 March 2024 (2023: 2.1 times). The increase in the current ratio during the year ended 31 March 2024 was mainly attributable to the increase in cash and bank balances from the net proceeds of rights issue and the disposal of investment property during the year.

CAPITAL STRUCTURE AND GEARING

The capital structure of the Company comprised ordinary shares only. There was no change in the capital structure of the Company during the year ended 31 March 2024. Total equity attributable to owners of the Company amounted to approximately HK$73.5 million as at 31 March 2024 (31 March 2023: HK$48.0 million).

As at 31 March 2024, the Group's borrowings comprised of lease liabilities of approximately HK$1.9 million (2023: HK$9.5 million) and interest-bearing borrowings of nil (2023: HK$5.0 million). The Group's gearing ratio, calculated by dividing total borrowings by total equity, was approximately 2.6% (2023: 30.2%). The decrease in the gearing ratio during the year ended 31 March 2024 was mainly attributable to repayment of the interest-bearing borrowings during the year.

DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 March 2024.

FOREIGN EXCHANGE EXPOSURE

The operations of the Group are mainly conducted in Hong Kong dollar ("**HK$**"), Renminbi ("**RMB**") and Macanese pataca ("**MOP**"), and its revenue, expenses, assets, liabilities and borrowings are principally denominated in HK$ and RMB.

The Group does not enter into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk.

CHARGES ON THE GROUP'S ASSETS

As at 31 March 2024 and 2023, the Group did not pledge any of its assets.

SIGNIFICANT ACQUISITION AND DISPOSAL

Save for the disposal of an investment property, there has been no significant acquisition and disposal of assets or subsidiaries of the Group during the year ended 31 March 2024.

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any significant contingent liabilities.

COMMITMENTS

Details of the commitments of the Group as at 31 March 2024 are set out in note 13 to this announcement.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group employed 17 (2023: 34) employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its Directors and employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

Total remuneration for the year ended 31 March 2024 (including emoluments and salaries to staff and Directors and MPF contributions) was approximately HK$7.5 million (2023: HK$11.2 million).

SHARE CAPITAL

The movements of share capital are set out in note 12 to this announcement.

USE OF PROCEEDS FROM RIGHTS ISSUE

As announced by the Company on 15 September 2023, among other things, the Company proposed (i) to implement a share consolidation (the "**Share Consolidation**") on the basis that every five issued existing shares of the Company be consolidated into one consolidated share (the "**Consolidated Share**") and (ii) to raise approximately HK$36 million before expenses by way of a rights issue (the "**Rights Issue**") of 156,780,000 rights shares (the "**Rights Shares**") at a subscription price of HK$0.23 per Rights Share on the basis of five Rights Shares for every one Consolidated Share held by the qualifying shareholders on the record date.

The net proceeds of the Rights Issue of approximately HK$35 million will be used for (i) HK$20 million (representing 57% of the net proceeds) for the development and expansion of the securities business under the financial services business; (ii) HK$10 million (representing 29% of the net proceeds) as working capital for the design, fitting out and engineering services business and the leasing of construction equipment business to accommodate the anticipated increase in demand for these two business segments; and (iii) HK$5 million (representing 14% of the net proceeds) for general corporate and administrative expenses.

The Share Consolidation and the Rights Issue were approved by the independent shareholders at an extraordinary general meeting convened by the Company on 1 November 2023 and were completed on 13 December 2023.

As at 31 March 2024, the net proceeds from the Rights Issue had been applied as follows:

	Planned *(HK$'000)*	**Net Proceeds Utilised during the year ended 31 March 2024** *(HK$'000)*	**Unutilised** *(HK$'000)*	**Estimate schedule** *(Note)*
Development and expansion of the securities business	20,116	(306)	19,810	Mid 2024-2025
Working capital for the engineering business and the leasing business	10,234	(10,234)	–	N/A
General corporate and administrative expenses	4,941	(4,941)	–	N/A
	35,291	(15,481)	19,810	

Note: The estimated schedule for utilising the remaining proceeds is based on the best estimation made by the Group on future market condition and may change with the current market condition and future development.

OTHER INFORMATION

Corporate Governance Practices

The Board considers that incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group could balance the interests of the shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Rules (the "**GEM Listing Rules**") Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") to ensure that business activities and decision-making processes are regulated in a proper and prudent manner. In accordance with the requirements of the GEM Listing Rules, the Company has established an audit committee, a remuneration committee, a nomination committee and a compliance committee with specific written terms of reference.

During the year ended 31 March 2024, the Company has complied with the CG Code as set out in Appendix C1 to the GEM Listing Rules except for the following deviations from the Code provisions:

- Code provision C.2.1 stipulated that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The post of chief executive of the Company has remained vacant since 21 February 2020 and as at the date of this announcement. The duties of chief executive have been performed by other executive Directors. As there is a clear division of responsibilities of each Director, the vacancy of the post of chief executive did not have any material impact on the operations of the Group. Nevertheless, the Board will review the current structure from time to time and if a candidate with suitable knowledge, skill and experience is identified, the Board will make an appointment to fill the post of chief executive as appropriate.

- Code provision C.2 stipulated that there are certain roles and responsibilities to be carried out by the chairman of the Company. Due to the vacancy of the chairman of the Company following the resignation of Mr. Chau Chi Yuen as a chairman on 29 February 2024, such roles are delegated to the executive Directors except the roles and responsibilities as stated in code provision C.2.7 of the CG Code.

- Code provision C.6.3 stipulates that the company secretary should report to the chairman of the Board and/or the chief executive officer. As the positions of the chairman of the Board and the chief executive officer have been vacant, the company secretary reports to the executive Directors of the Company since the resignation of Mr. Chan Chi Yuen as a chairman on 29 February 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for dealing in securities of the Company by the Directors in accordance with Rules 5.48 to 5.67 of the GEM Listing Rules. No Director has dealt in the shares of the Company during the year. Following specific enquiry by the Company, all Directors confirmed that they have complied with such code of conduct throughout the year ended 31 March 2024.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, redeem or sell any of the Company's listed securities during the year.

EQUITY-LINKED AGREEMENT

No equity-linked agreement was entered by the Company during the year.

SUFFICIENCY OF PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, during the year ended 31 March 2024, the Company has maintained the public float required by the GEM Listing Rules.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with Rule 5.28 of the GEM Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal control systems. The consolidated results of the Group for the year ended 31 March 2024 have been reviewed by the Audit Committee. The Audit Committee comprises three members namely Ms. Tsang Hau Wai (Chairman) Mr. Li Ka Chun Gordon and Ms. Chan Wai Yan. All of them are independent non-executive Directors.

SCOPE OF WORK OF GLOBAL LINK CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 March 2024 have been agreed by the Group's auditors, Global Link CPA Limited ("**Global Link**"), to the amounts set out in the Group's consolidated financial statements for the year ended 31 March 2024. The work performed by Global link in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Global Link on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.royalcentury.hk). The annual report of the Company for the year ended 31 March 2024 containing all the information required by the GEM Listing Rules will be despatched to the Company's shareholders and published on the above websites in due course.

By order of the Board
Royal Century Resources Holdings Limited
Law Hok Yu
Executive director and Company Secretary

Hong Kong, 28 June 2024

As at the date of this announcement, the executive Directors are Mr. Wang Jun, Ms. Miao Xianliu, and Mr. Law Hok Yu; and the independent non-executive Directors are Ms. Tsang Hau Wai, Mr. Li Ka Chun Gordon, and Ms. Chan Wai Yan.

This announcement will remain on the "Latest Listed Company Information" page of the HKEx website at www.hkex.com.hk for at least 7 days from the date of its posting and on the website of the Company at www.royalcentury.hk.