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高裕金融集團有限公司
Gaoyu Finance Group Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8221)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

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

ANNUAL RESULTS

The board (the “**Board**”) of Directors hereby announce the consolidated results of the Company for the year ended 31 March 2025 (the “**Reporting Period**”) together with the comparative figures for the preceding financial year (the “**Corresponding Period**”) as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Revenue			
Commission income from securities dealing, brokerage and other services		3,807	2,073
Fee and commission income from placing and underwriting activities		6,097	2,436
Interest income from margin and loan financing services		3,394	8,990
Supply chain financing		15,579	8,430
Advisory fee incomes		240	312
Asset management services		–	440
Others		1,374	910
Total revenue	3	30,491	23,591
Bank interest income		1,227	690
Fair value change on investments at fair value through profit or loss		(8,243)	6,704
Other gains		618	1,942
		24,093	32,927
Commission expenses		(608)	(417)
Depreciation expenses for property and equipment		(1,730)	(1,750)
Depreciation expenses for right-of-use assets		(2,317)	(1,486)
Staff costs		(7,570)	(7,317)
Other operating expenses	4	(10,601)	(10,525)
Impairment of assets		(11,033)	(1,831)
Finance costs		(1,756)	(129)
Exchange (loss)/gain		(331)	144

		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit before tax		(11,853)	9,616
Income tax expense	5	<u>(1,364)</u>	<u>(726)</u>
(Loss)/profit and total comprehensive (loss)/income for the year		<u>(13,217)</u>	<u>8,890</u>
(Loss)/profit and total comprehensive (loss)/income for the year attributable to:			
Owners of the company		(12,907)	8,887
Non-controlling interests		<u>(310)</u>	<u>3</u>
		<u>(13,217)</u>	<u>8,890</u>
		<i>HK cents</i>	<i>HK cents</i> (Restated)
(Loss)/profit per share			
Basic and diluted	6	<u>(29.28)</u>	<u>22.22</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

		2025	2024
	Notes	HK\$'000	HK\$'000
Non-current assets			
Property and equipment		2,142	3,840
Right-of-use assets		4,829	7,146
Deposits placed with stock exchange and clearing house		745	605
Loan receivables		6,640	–
		<u>14,356</u>	<u>11,591</u>
Current assets			
Accounts receivables	8	155,435	152,466
Loan receivables		3,705	2,071
Rental and utility deposits		769	918
Prepayments and other receivables		821	1,981
Investments at fair value through profit or loss	9	4,738	13,842
Due from non-controlling shareholders		–	600
Cash and bank balances:			
Bank balance – house accounts		27,060	10,153
Cash held on behalf of customers		39,798	35,669
		<u>232,326</u>	<u>217,700</u>
Current liabilities			
Accounts payables	10	40,575	37,715
Due to a related company		–	28,388
Other payables and accruals		527	1,423
Bank loan		18,025	–
Bond and interest payable		534	–
Lease liabilities		2,302	2,184
Current tax payables		2,090	726
		<u>64,053</u>	<u>70,436</u>
Net current assets		<u>168,273</u>	<u>147,264</u>
Total assets less current liabilities		<u>182,629</u>	<u>158,855</u>

	2025	2024
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities		
Bond and interest payable	34,000	—
Lease liabilities	2,658	4,960
	36,658	4,960
NET ASSETS	145,971	153,895
Equity		
Share capital	23,800	20,000
Reserves	121,293	132,707
Equity attributable to owners of the Company	145,093	152,707
Non-controlling interests	878	1,188
TOTAL EQUITY	145,971	153,895

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Gaoyu Finance Group Limited (the “**Company**”) was incorporated in Cayman Islands with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is Room 4409, 44/F, COSCO Tower, 183 Queen’s Road Central, Hong Kong. The Company’s shares were listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 6 January 2017.

The Company is an investment holding company, and its subsidiaries (collectively as the “**Group**”) are principally engaged in the provision of (i) securities dealing and other brokerage services (Hong Kong and US stocks); (ii) placing and underwriting services; (iii) financing services including loan financing, securities and initial public offering (“**IPO**”) margin financing and money lending; (iv) asset management services; (v) supply chain financing; (vi) trust services; and (vii) advisory services.

2. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) that are relevant to its operations and effective for its accounting year beginning on 1 April 2024. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

The chief operating decision maker (“**CODM**”) of the Group, being the executive directors and senior management of the Group, regularly review revenue analysis by major services to make decisions about resource allocation. No discrete financial information other than revenue is regularly provided to the CODM. The management assesses the performance of the Group based on the revenue and profit as presented in the consolidated statement of profit or loss and other comprehensive income.

No segment assets or liabilities is presented as the CODM does not review segment assets and liabilities.

Revenue from major services

The Group provides seven types of services:

- (a) securities dealing and other brokerage services, which primarily generate commission on securities dealing;
- (b) placing and underwriting services, which primarily generate fee and commission from equity and debt securities placing and underwriting;
- (c) financing services, including securities and IPO margin financing, loan financing and money lending, which generate interest income from margin and loan financing clients;

- (d) supply chain financing is an alternative financial service under the margin and loan financing and money lending which provides supply chain financing and logistic services to wholesalers for their trading businesses in respect of 3C (computer, communication and consumer electronics) products;
- (e) asset management services, which primarily generate management fee and performance fee;
- (f) advisory services, which provide professional advice services;
- (g) trust services, which provide professional trust services to its high net worth clients, in order to fulfil their needs of asset protection, tax planning and wealth management; and
- (h) other services, which primarily generate fee income (such as agency fee, professional service fee, loan commitment fees and referral fees) from other services provided.

Revenue represents the aggregate of the amounts received and receivable from third parties, income from securities dealing and brokerage services, placing and underwriting services and advisory services. Revenue recognised during the years are as followings:

Disaggregation of revenue from contracts with customers:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Securities dealing and brokerage services	3,807	2,073
Placing and underwriting services	6,097	2,436
Professional service fee income	1,374	910
Advisory fee incomes	240	312
Asset management services	—	440
	<u>11,518</u>	<u>6,171</u>
Revenue from contracts with customers		
	<u>11,518</u>	<u>6,171</u>
Revenue from other sources		
Interest income from margin financing services	2,627	8,061
Interest income from loan financing and money lending	767	929
Interest income from supply chain financing	15,579	8,430
	<u>18,973</u>	<u>17,420</u>
	<u>30,491</u>	<u>23,591</u>
Timing of revenue recognition:		
A point in time	<u>11,518</u>	<u>6,171</u>

Geographical information

The Group's non-current assets are located in Hong Kong. The Group operates in Hong Kong and its revenue is derived from its operations in Hong Kong.

Information about major customers

Revenue from major customers contributing over 10% of the total revenue of the Group are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Customer A	7,689	6,113
Customer B	4,017	N/A
Customer C	3,788	N/A
Customer D	<u>N/A</u>	<u>6,333</u>

Note: Customer B and C did not meet the threshold of accounting for 10% or more of total revenue for the year ended 31 March 2024. Customer D did not meet the threshold of accounting for 10% or more of total revenue for the year ended 31 March 2025.

4. OTHER OPERATING EXPENSES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Auditor's remuneration		
– audit services	700	680
– non-audit services	6	6
Bank charges	78	44
Entertainment expenses	190	169
Legal and professional fee	5,065	6,044
Loss on disposal of investments at fair value through profit or loss	398	–
Office management charges	219	531
Rates	138	143
Office supplies and utilities	283	291
Software and stock information expenses	1,589	1,630
Travelling and transportation expenses	244	178
Others	<u>1,691</u>	<u>809</u>
	<u>10,601</u>	<u>10,525</u>

5. INCOME TAX EXPENSE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax:		
Hong Kong Profits Tax	<u>1,364</u>	<u>726</u>

Hong Kong Profits Tax has been provided at the rate of 8.25% on assessable profits up to HK\$2,000,000 and 16.5% on any part of assessable profits over HK\$2,000,000 for the years end 31 March 2025 and 2024.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
(Loss)/profit before tax	<u>(11,853)</u>	<u>9,616</u>
Tax at the Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	(1,956)	1,587
Tax relief of 8.25% on first HK\$2 million assessable profit	(165)	(165)
Tax effect of expenses not deductible for tax purpose	318	812
Tax effect of income not taxable for tax purpose	(290)	(1,433)
Tax effect of temporary differences not recognised	3,423	187
Tax effect of utilisation of tax losses not previously recognised	(108)	(276)
Tax effect of tax losses not recognised	<u>142</u>	<u>14</u>
Tax expenses for the years	<u>1,364</u>	<u>726</u>

As at 31 March 2025 and 2024, the Group had no material deferred tax assets or liabilities arising from deductible or taxable temporary differences.

At the end of the reporting period, the Group has estimated tax losses of approximately HK\$13,182,000 (2024: HK\$19,667,000) available for offset against future profits. No deferred tax asset has been recognised in respect of remaining HK\$2,173,000 (2024: HK\$3,295,000) due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

6. (LOSS)/PROFIT PER SHARE

(a) Basic loss/(profit) per share

The calculation of basic loss per share attributable to owners of the Company for the year ended 31 March 2025 is based on the loss for the year attributable to owners of the Company of approximately HK\$12,907,000 (2024: approximately profit HK\$8,887,000) and the weighted average number of ordinary shares of 44,081,096, adjusted by the share consolidation completed on 17 April 2025 (2024: (restated) 40,000,000 ordinary shares, adjusted by the share consolidation completed on 17 April 2025) in issue during the year.

(b) Diluted loss/(profit) per share

Diluted loss/(profit) per share were same as the basic loss/(profit) per share as there were no potential dilutive ordinary shares in existences during the years ended 31 March 2025 and 2024.

7. DIVIDENDS

The Board does not recommend the payment of a final dividend to shareholders of the Company for the years ended 31 March 2025 and 2024.

8. ACCOUNTS RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Accounts receivable arising from the business of dealing in securities:		
– Clearing house	–	9,614
– Cash clients	1,576	375
– Margin clients	13,131	24,464
Accounts receivable arising from loan financing	13,117	14,376
Accounts receivable arising from supply chain financing	147,533	115,150
	175,357	163,979
Provision for loss allowance	(19,922)	(11,513)
	<u>155,435</u>	<u>152,466</u>

Accounts receivable from clearing house and cash clients represent trades pending settlement arising from business of dealing in securities which are normally due within two trading days after the trade date. All accounts receivable from clearing house and cash clients are included in “neither past due nor impaired” category. The management believes that no impairment allowance is necessary in respect of these balances as the balances are considered fully recoverable.

Accounts receivable from margin clients are recoverable on demand or according to agreed repayment schedules, and bearing interest at rates ranged from 5.38% to 48.00% as at 31 March 2025 (2024: 5.38% to 48.00%). The credit facility limits to margin clients are determined by the discounted market value of the collateral securities accepted by the Group. The Group maintains a list of approved stocks for margin lending at a specified loan-to-collateral ratio. A margin call may occur when the balances of the accounts receivable from margin clients exceed the permitted margin loan limit, or when the discounted market value of the collateral security is less than the balances of the accounts receivable from margin clients.

Accounts receivable from margin clients as at 31 March 2025 and 2024 were secured by securities or debt instrument, which were pledged to Gaoyu Securities Limited (“GSL”), the Company’s subsidiary, as collaterals. The securities had a fair value of approximately HK\$821,177,000 as at 31 March 2025 (2024: approximately HK\$165,613,000). The Group is not prohibited to sell the collaterals upon customers’ default or repledge the collaterals upon receiving customers’ authorisation.

As at 31 March 2025, the Group held securities and debt instrument as collaterals over these balances. As at 31 March 2025, 100% (2024: 100%) the net balance of the accounts receivable from margin clients were secured by sufficient collaterals on an individual basis. The management of the Group has assessed the market value of the pledged securities of each individual customer as at the end of each reporting period and considered that no impairment allowance is necessary taking into consideration of client’s credit quality, collaterals provided and subsequent repayment of monies. Except as described above, all accounts receivable from margin clients are included in “neither past due nor impaired” category.

Reconciliation of loss allowance for accounts receivable arising from the business of dealing in securities

	2025 HK\$'000	2024 <i>HK\$'000</i>
At the beginning of the reporting period	–	–
Increase in loss allowance for the year	<u>5,450</u>	<u>–</u>
At the ending of the reporting period	<u><u>5,450</u></u>	<u><u>–</u></u>

As at 31 March 2025, accounts receivable from margin clients include accounts receivable from directors of the Company of approximately HK\$ Nil (2024: HK\$886,000).

Except for the ageing of accounts receivable from margin clients which are past due but not impaired, no ageing analysis is disclosed for accounts receivable arising from the business of dealing in securities as, in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of broking business.

Accounts receivable arising from loan financing are denominated in Hong Kong dollars with interest rate of 8% – 15% (2024:8% – 13%) per annum. The loan amount with 5 months period term was lent to an independent third party and secured by the underlying listed shares and personal guarantee provided by the shareholder of the borrower. Before approving any loan to its clients in the business of securities dealing and brokerage services, the Group has assessed the potential client' s credit quality and defined credit limits individually. The Group has policy for impairment allowance which is based on the evaluation of collectability of accounts and on management's judgment, including the current creditworthiness, collaterals and the past collection history of each client.

The loan financing was defaulted in early 2020, GSL has been taking legal actions against the borrower and the guarantor. The pledged shares were not deposited in the securities account of the borrower with GSL at the time of loan drawn down until the court granted an order to force sell the pledged shares in July 2023. In August 2023, the pledged shares were transferred to the borrower' s securities account with GSL. GSL could then start disposing the pledged shares to recover the loan position.

Given the pledged shares have been trading on HKEX, market prices of the pledged shares were therefore used as the benchmarks for estimating the loss allowance. The recoverability of the loan is obviously related to the market value of the underlying collaterals.

Reconciliation of loss allowance for accounts receivable arising from loan financing

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At the beginning of the reporting period	11,513	9,682
Increase in loss allowance for the year	<u>1,538</u>	<u>1,831</u>
At the ending of the reporting period	<u><u>13,051</u></u>	<u><u>11,513</u></u>

Accounts receivable arising from supply chain financing are denominated in US dollars with interest rate of 1.0%-1.2% per months. The loan amount with 90 days period term and secured by the inventories stored in a warehouse, which are controlled by the Chance Wise Holding Limited (“**Chance Wise**”), the Company’s subsidiary, as collaterals. The Group is not prohibited to sell the collaterals upon customers’ default.

Before approving any loan to its clients in supply chain financing, the Group has assessed the potential client’s credit quality and defined credit limits individually. The Group has policy for impairment allowance which is based on the evaluation of collectability of accounts and on management’s judgment, including the current creditworthiness, collaterals and the past collection history of each client.

As at 31 March 2025, the management of the Group has assessed the current creditworthiness, collaterals and the past collection history of each client of each individual debtor. All accounts receivable from supply chain financing are included in “neither past due nor impaired” category.

Reconciliation of loss allowance for accounts receivable arising from supply chain financing

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At the beginning of the reporting period	–	–
Increase in loss allowance for the year	<u>1,421</u>	<u>–</u>
At the ending of the reporting period	<u><u>1,421</u></u>	<u><u>–</u></u>

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all accounts receivable. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

	Current	Over 30 days	Over 60 days	Over 120 days	Total
	HK\$'000	past due HK\$'000	past due HK\$'000	past due HK\$'000	HK\$'000
At 31 March 2025					
Weighted average expected loss rate	4%	0%	0%	99%	
Accounts receivables (HK\$'000)	162,240	–	–	13,117	175,357
Loss allowance (HK\$'000)	6,871	–	–	13,051	19,922
At 31 Marh 2024					
Weighted average expected loss rate	0%	0%	0%	80%	
Accounts receivables (HK\$'000)	149,603	–	–	14,376	163,979
Loss allowance (HK\$'000)	–	–	–	11,513	11,513

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	HK\$'000	HK\$'000
Equity securities, at fair value listed in Hong Kong	<u>4,738</u>	<u>13,842</u>

10. ACCOUNTS PAYABLES

	2025	2024
	HK\$'000	HK\$'000
Accounts payable arising from the business of dealing in securities:		
– Clearing house	399	–
– Cash clients	37,389	35,061
– Margin clients	<u>2,787</u>	<u>2,654</u>
	<u>40,575</u>	<u>37,715</u>

Accounts payable to clearing house represent trades pending settlement arising from business of dealing in securities which are normally due within two trading days after the trade date.

The accounts payable to cash clients and margin clients are repayable on demand except where certain balances represent trades pending settlement or deposits received from clients for their trading activities under the normal course of business. Only the amounts in excess of the required deposits are repayable on demand.

Accounts payable to cash clients include amounts payable to directors of the Company of approximately HK\$392,000 as at 31 March 2025 (2024: HK\$1,000).

Accounts payable arising from the business of dealing in securities are interest-bearing, except for amounts representing pending trades payable to the clearing house, cash clients and margin clients.

No ageing analysis is disclosed for accounts payable arising from the business of dealing in securities as, in the opinion of directors of the Company, the ageing analysis does not give additional value in view of the nature of broking business.

MANAGEMENT DISCUSSION AND ANALYSIS

RESUMPTION OF TRADING

Trading in the shares of the Company (“**Shares**”) on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) has been suspended since 29 June 2023. On 18 July 2023, the Stock Exchange issued a letter setting out the guidance for the resumption of trading in the Shares on the Stock Exchange (the “**Resumption Guidance**”). Following the continued efforts of the Directors and management of the Company, the Company made the announcement in relation to the fulfilment of the Resumption Guidance and resumption of trading on 22 July 2024, and trading in the Shares on the Stock Exchange recommenced with effect from 9:00 a.m. on 23 July 2024.

BUSINESS REVIEW AND PROSPECTS

The Group is principally engaged in the provision of (i) securities dealing and brokerage services (Hong Kong and US stocks); (ii) placing and underwriting services; (iii) financing services including loan financing, securities and initial public offering margin financing and money lending; (iv) asset management services; (v) supply chain financing; (vi) trust services; and (vii) advisory services.

Securities Dealing and Brokerage Services

The Group conducts securities dealing and brokerage services through Gaoyu Securities Limited (“**GSL**”), a subsidiary of the Company, which is a corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”). The Group provides securities dealing and brokerage services to customers for trading in securities listed on the stock exchange of Hong Kong and in the U.S. which comprise corporate and individual customers. As at 31 March 2025, the Group had 298 active securities trading accounts which have at least one trade during the Reporting Period (31 March 2024: 288), the total transaction value in the Reporting Period was approximately HK\$1,901,792,000 compared to the Corresponding Period of approximately HK\$1,315,495,000. The Group’s commission income from securities dealing and brokerage services increased by approximately 83.6% from approximately HK\$2,073,000 in the Corresponding Period to approximately HK\$3,807,000 in the Reporting Period.

The Group has initiated a brand re-building program for its securities dealing and brokerage business to attract new clients, and re-engaging and reactivating its existing client base. On 26 February 2024, the Group launched a new trading system and new smartphone applications for its licensed corporation, which is a more user-friendly and informative online system for customers, with foreign stock trading capacity and lower running costs. These improvements have significantly enhanced the trading experience, offering greater efficiency and value to clients of the Group.

To elevate the Company's brand awareness and strengthen the Company's market presence, the Company is committed to engaging both current and prospective clients, thereby enhancing their understanding of the Group, as well as the diverse product and new service offerings of the Company. This strategic approach is designed to build confidence among clients, encouraging them to partner with the Company to achieve their investment goals and wealth management needs. The Company will continue to identify more VIP clients so as to broaden its VIP client base and to further boost its revenue.

Placing and Underwriting Services

The Group conducts placing and underwriting services through GSL. The Group acts as an underwriter or a sub-underwriter or a placing agent or a sub-placing agent for companies listed or to be listed on the Stock Exchange or for shareholders of companies listed on the Stock Exchange for their fund raising exercises such as IPOs, rights issue, open offer or placing of new or existing shares or bonds.

Placing and underwriting fee and commission income is principally affected by the number of engagements participated by the Group, the size of engagements and the commission rates. During the Reporting Period, there was six (Corresponding Period: seven) placing and underwriting engagements with a total transaction value of approximately HK\$348,810,000 (Corresponding Period: HK\$72,735,000). The Group's fee and commission income generated from placing and underwriting activities was approximately HK\$6,097,000 in the Reporting Period (Corresponding Period: HK\$2,436,000).

The Company intends to strengthen the placing and underwriting business by (i) extending the industry networks of the Company, particularly with other underwriters and placing agents in respect of placing and/or underwriting engagements; (ii) extending the Company's services to broader categories of clients, including non-listed companies, high net worth ("HNW") individuals, institution clients, mass retail and corporate clients, primarily through promotional campaigns and the Company's sales force; and (iii) exploring business opportunities beyond acting as underwriter and placing agent in respect of IPOs, to include debt placement services, and to take up more significant values or to participate in a more significant manner (in terms of underwriting and placing amounts) in respect of project engagements.

Loan Financing, Margin Financing and Money Lending Services

Interest income from loan financing, margin financing and money lending services mainly represents the interest income generated from the provision of loan financing, margin financing and money lending services for customers to purchase securities listed on the Stock Exchange on a margin basis, hire purchase and mortgage loan financing.

For the Reporting Period, interest income from loan financing, margin financing and money lending services decreased by approximately 62.2% from approximately HK\$8,990,000 for the Corresponding Period to approximately HK\$3,394,000. The decrease was attributable to the decrease in margin loans over the Reporting Period.

The Company will continue prudently to expand its margin book and cautiously scale up loan financing business to include mortgage loans and short-term financing business to its money lending clients with collaterals such as Hong Kong listed securities, bonds, residential properties, and other marketable securities. The Company will closely monitor the value of the collaterals and constantly update its credit control policy, particularly at this tumultuous moment, to minimize its credit exposure. Should the potential loan financing projects be deemed to carry significant credit risk, the Company will adopt a highly cautious approach and will choose not to proceed with these projects to ensure financial stability and risk mitigation.

Business model of the Group's money lending business

The Group's money lending services are generally provided to individual and corporate borrowers that have short-to-medium term funding needs and could provide sufficient collaterals for their borrowings in the form of mortgage loans (first or second mortgage with residential or commercial properties as collaterals) or hire purchases (vehicle financing) through a wholly-owned subsidiary of the Company, Gaoyu Finance Limited (“GFL”). The Group may also consider personal loans without collaterals on a case-by-case basis. GFL is a Money Lenders Licence holder registered under the Money Lenders Ordinance, Cap. 163 of the Laws of Hong Kong (the “MLO”). The Group's clientele is primarily acquired through business referrals and introductions from the Group's management, business partners or customers.

During the Reporting Period, the range of interest rate on the Group's fixed rate loans receivable was 8% to 15% (Corresponding Period: 8% to 13%) per annum. The Group generates interest income from such loan facility as revenue. The Group recorded revenue from this segment amounted to approximately HK\$767,000 (Corresponding Period: HK\$75,000).

The Group's credit risk assessment policy in respect of its money lending business

The Group's credit risk is mainly arising from its loan receivable from customers. To monitor its credit risk, the Group sets out the following credit policies which is documented in Credit Policy Manual (the "**Credit Policy Manual**") adopted by the Group for its money lending business.

In order to ensure adequate check and balances to prevent undue reliance on decision of a single credit officer, the board of directors of GFL delegates its own credit authority to the approval committee (the "**Approval Committee**"), a specialised committee established to assist any one of the directors of GFL in overseeing the credit risk management. The Approval Committee consists of three members, the current composition including one of the directors of the GFL, one of the directors of the Company and a director of other group companies of the Group. All loans must be approved and endorsed by any two members of the Approval Committee in accordance with their credit approval limits for loans and the approval guidelines as set out in the Credit Policy Manual.

The current approved credit positions of all GFL customers will be continuously monitored and adjusted based on the latest financial position of the customers or market conditions. In order to protect GFL from the risk of customer's default on repayment, GFL will take the following preventive measures:

1. Credit Watchlist

A customer will be placed in the credit watchlist and will be notified of such action accordingly when:

- a) repayment is overdue for 7 days, or
- b) the value of the collateral dropped by 20% when compared to the initial valuation of the collateral at the time of credit extension, or
- c) the customer is adversely affected by financial crisis.

A customer may be asked to provide additional collateral in the forms acceptable by GFL in order to maintain its established credit limit. Customers will also may be informed of GFL's intended course of action, which could include the request for early repayment if additional collaterals are not furnished promptly.

2. Early Repayment

A customer that could not furnish additional collateral will be subject to early repayment of whole or partial outstanding amount.

3. Valuation of Collateral

To enable GFL to have up-to-date view of value of the collateral, an updated valuation exercise will be conducted against the whole portfolio in March each year.

As at 31 March 2025, 6 loans and interest receivables remained outstanding (31 March 2024: two) with the gross balance of approximately HK\$13,097,000 (31 March 2024: HK\$2,199,000). HK\$2,624,000 loss allowance on loan receivables was made for the Reporting Period (31 March 2024: Nil).

Size and diversity of customers

As at 31 March 2025, loan receivables were denominated in Hong Kong dollars with interest rate of 8% – 15% per annum. The loan amounts with one year to five years period terms were lent to 6 independent third parties in the form of first or second mortgage or loans secured by personal guarantee. The gross carrying amount was approximately HK\$13,097,000 (2024: HK\$2,199,000). The Group's largest borrower accounted for approximately 52.5% (2024: 51.7%) of the Group's loans receivable of its money lending business at 31 March 2025.

As at 31 March 2025, there were two (2024: one) mortgage loans with terms of one year and five years respectively with residential properties as collaterals, of loan principals amount of HK\$7,572,000 (2024: HK\$1,000,000).

Four other loans which were secured by personal guarantee have loan principals amounted to HK\$5,000,000 (2024: 1,000,000).

Key internal controls

The Group generally provides short-to-medium term loans. For loans booked during the Reporting Period, in terms of number of loan transactions, 45% was with a term within one year and 55% was with a term of 5 years. The repayment terms and conditions are determined from the factors including the liquidity needs of the borrowers, the Group's funding and cash flows management strategies, and the terms and rates of the prevailing market.

The licensing of money lenders and regulation of money-lending transactions are governed by the MLO. The Group has credit policies, guidelines and procedures in place which cover key internal controls of a loan transaction including due diligence, credit appraisal, proper execution of documentations, continuous monitoring and collection and recovery. The due diligence procedures included conducting research on the borrowers' background, evaluating its current business operations and financial conditions, market reputation and creditability, and conducting financial analysis and recoverability analysis. To minimise credit or investment risks, the Group may require personal guarantees and corporate guarantees in respect of certain loans.

Upon completion of relevant account opening, know-your-client and credit assessment procedures, the Group would grant a loan facility to such borrowers for their own financing needs. The Group has followed all forms and procedures prescribed under the provisions of the MLO when making relevant application for the renewal of money lender license and conducting our money lending business. After drawdown of loan, the loan agreement will be filed with the loan documents properly. The Group maintains regular contact with the borrowers and carries out periodical review to assess the recovery of the loan based on the business development, financial status, repayment ability including such as recent settlement record and any litigations and bankruptcy orders against borrowers. The Group will take all necessary legal actions against the relevant borrowers to follow up the settlement of the outstanding loans.

Asset Management Services

The Group did not record any fee income from asset management services for the Reporting Period (Corresponding Period: HK\$440,000).

The Group has set up three open-ended fund companies (the “OFCs”) to expand its asset management services business. For the new Capital Investment Entrant Scheme announced by the Immigration Department of Hong Kong government, the Company has established a department dedicated to immigrant services and re-deployed its current employees to this newly formed business unit. Furthermore, the Company has brought on board skilled freelance professionals to manage these services and undertake research.

The Company has been actively reaching out to clients to develop all aspects of its asset management business. Leveraging the asset management team’s previous asset management relationships and personal relationships, the Company has been participating in various sector-specific events in Hong Kong and social events in the PRC to explore HNW clients beyond the Hong Kong market, thereby further expanding their network with the aim of enhancing their asset management business.

Supply Chain Financing

The supply chain financing business operates in a similar manner to the loan financing and margin financing business. It utilises the 3C Products being pledged by 3C wholesalers as collaterals to the Group, and in return, the Group provides financing and ancillary supply chain solution services to 3C wholesalers. The Group acts as a lender for 3C wholesalers, providing upfront financing and placing orders on their behalf with 3C suppliers. This supply chain service financially facilitates 3C wholesalers in their procurement of products, and enlarges their business scale. The Group generates stable, low-risk returns through interest income from the financing it provides.

The Group recorded interest income and service fees from supply chain financing of approximately HK\$15,579,000 for the Reporting Period (Corresponding Period: HK\$8,430,000). The gross procurement amount of clients was approximately HK\$864,485,000 for the Reporting Period (Corresponding Period: HK\$769,729,000).

The Group has diligently worked to scale its operations, forging partnerships with key industry players, broadening its geographical footprint of service across the APAC region, and enhancing its infrastructure support, including logistics channels and warehousing facilities. The commitment to continuous improvement and exploration of new products, markets, and industry networks underscores the Group’s unwavering dedication to advancing its business. The Company will continue to solicit more 3C wholesaler customers to further boost its revenue.

At the current stage, the Group's existing 3C wholesaler customers have sold more than 2,000 different 3C products. Generally, the Group increases its 3C products range at the request of the 3C wholesaler customers. In the second stage of the Group's blueprint, depending on the needs of potential clients, the Group may explore to extend the supply chain financing business model to cover other consumable products, such as red wines and watches.

Trust Service

Regarding its provision of trust services, the Group is targeting the provision of professional trust services to its HNW clients, in order to fulfil their needs of asset protection, tax planning and wealth management. The Group has formally obtained the trust license in Hong Kong in February 2024 to launch its trust business, and has completed the first phase of the online services platform in September 2024, through which the trust clients are able to complete online KYC procedures and track the assets held in trust.

The Group has officially launched its trust business. In addition to embarking on promotional activities, the Group will hire additional frontline staff to accelerate business development, and actively discuss cooperation in trust business with various types of institutions, such as insurance broker companies, law offices and immigration firms.

With the acquisition of all necessary licenses to initiate the trust service business in February 2024, the Company has engaged a specialized marketing company to craft the promotional and pitching materials, alongside the development of a user-friendly app and website dedicated to the trust service. The immediate next steps include rigorous testing of the website and app to guarantee flawless functionality and user experience. Parallel to these technical preparations, the Company is set to embark on promotion activities. This will involve distributing the newly created promotional materials to a carefully selected target audience, alongside a series of advertisements aimed at capturing the attention of potential clients. The Company will continue to leverage its networks in search of prospective customers and is already engaged in discussions with several potential customers.

Advisory Services

The Company has been granted with approval to carry out Type 4 regulated activity (advising on securities) by the Securities and Futures Commission under the SFO during the financial year ended 31 March 2024. This authorization enables the Group to provide a spectrum of advisory services related to investment advice and dealing in securities. The Company has already recruited employees who have extensive experience in the securities industry and is proactively engaging in identifying and courting potential clients. Currently, the Company is in the midst of negotiations with several potential clients, discussing the scope and terms of the services it proposes to offer.

Other Services

In addition to the above business activities, the Group may on a case by case basis come across other services, the fee income from which is recorded as other revenue.

The amount of other revenue generated by the Group in the Reporting Period was approximately HK\$1,374,000 (Corresponding Period: HK\$910,000).

ADVANCE TO ENTITY

1. In the ordinary course of the Group's money lending business, GFL, as lender, entered into a loan agreement with Mr. Tian Qingyun, as borrower (the "**Customer**") (the "**Loan**"), on 6 December 2024. Summary of the Loan and the outstanding principal amount of the Loan is as follow:

Principal:	US\$881,000
Interest rate:	8% per annum
Term:	5 years
Drawdown date:	6 December 2024
Maturity date:	6 December 2029
Security:	The Loan is secured by a first mortgage/legal charge in respect of a residential property located in Futian District, Shenzhen, the PRC. Based on the valuation conducted by an independent valuer, the appraised value of the property as at 13 November 2024 is RMB13,590,000.
Repayment:	The Customer shall repay the principal of the Loan and all accrued interests on the maturity date.
Outstanding principal as at 31 March 2025:	US\$881,000 as at 31 March 2025

Details of the Loan were disclosed in the announcement of the Company dated 6 December 2024.

2. Reference is made to the circular of the Company dated 25 September 2024 (the “**MT Circular**”) in relation to, among others, the Master Supply Chain Financing Agreements entered between Chance Wise Holdings Limited (“**Chance Wise**”) and each of the customers (the “**Master Supply Chain Agreement(s)**”). Unless otherwise stated, terms used in this section have the same meaning as defined in the MT Circular.

In the ordinary course of the Group’s supply chain financing business, Chance Wise has entered into the Master Supply Chain Agreements with each of the Customers governing the supply chain financing transactions for FY2024/25, FY2025/26 and FY2026/27. Summary of the Master Supply Chain Agreement(s) and the outstanding principal amount of Advances to each of the Customers is as follow:

Customer A

Advances: US\$13,000,000 (or HK\$101,400,000)

Interest rate: 1% per month

Term: Up to and ending on 31 March 2027

Maximum number of days of storage (i.e. the repayment period of each advance): 90 days

Drawdown date: 2 January 2025 to 31 March 2025

Expected repayment date: 1 April 2025 to 30 June 2025

Default terms: If a customer fails to repay the advances within the repayment period, interest shall accrue on the unpaid sum from the repayment date to the date of actual payment at a default interest of 0.1% per day. If the customer fails to repay within 30 days after the repayment period, Chance Wise is entitled to terminate the relevant Master Supply Chain Financing Agreement and such customer is required to indemnify Chance Wise for all losses suffered by Chance Wise for the default in payment.

In addition, Chance Wise shall have the right to sell any 3C Products in its warehouse for cash. The sales proceeds shall first be used to settle any outstanding sum owed by such customer to Chance Wise. In the event the sales proceeds is insufficient to settle the outstanding sum, Chance Wise shall notify its customer of the deficit and such customer is required to settle the deficit within 5 days.

Repayment: The customer shall repay the principal of the Advance and all accrued interests within 90 days from the date when Chance Wise settled the purchase price with the 3C suppliers.

Outstanding principal as at 31 March 2025: HK\$74,236,000 as at 31 March 2025

Customer B

Advances: US\$6,500,000 (or HK\$50,700,000)

Interest rate: 1% per month

Term: Up to and ending on 31 March 2027

Maximum number of days of storage (i.e. the repayment period of each advance): 90 days

Drawdown date: 2 January 2025 to 31 March 2025

Expected repayment date: 1 April 2025 to 30 June 2025

Default terms: If a customer fails to repay the advances within the repayment period, interest shall accrue on the unpaid sum from the repayment date to the date of actual payment at a default interest of 0.1% per day. If the customer fails to repay within 30 days after the repayment period, Chance Wise is entitled to terminate the relevant Master Supply Chain Financing Agreement and such customer is required to indemnify Chance Wise for all losses suffered by Chance Wise for the default in payment.

In addition, Chance Wise shall have the right to sell any 3C Products in its warehouse for cash. The sales proceeds shall first be used to settle any outstanding sum owed by such customer to Chance Wise. In the event the sales proceeds is insufficient to settle the outstanding sum, Chance Wise shall notify its customer of the deficit and such customer is required to settle the deficit within 5 days.

Repayment: The customer shall repay the principal of the Advance and all accrued interests within 90 days from the date when Chance Wise settled the purchase price with the 3C suppliers.

Outstanding principal as at 31 March 2025: HK\$49,449,000 as at 31 March 2025

Customer C

Advances: US\$25,000,000 (or HK\$195,000,000)

Interest rate: 1.2% per month

Term: Up to and ending on 31 March 2027

Maximum number of days of storage (i.e. the repayment period of each advance): 90 days

Drawdown date: 2 January 2025 to 31 March 2025

Expected repayment date: 1 April 2025 to 30 June 2025

Default terms: If a customer fails to repay the advances within the repayment period, interest shall accrue on the unpaid sum from the repayment date to the date of actual payment at a default interest of 0.1% per day. If the customer fails to repay within 30 days after the repayment period, Chance Wise is entitled to terminate the relevant Master Supply Chain Financing Agreement and such customer is required to indemnify Chance Wise for all losses suffered by Chance Wise for the default in payment.

In addition, Chance Wise shall have the right to sell any 3C Products in its warehouse for cash. The sales proceeds shall first be used to settle any outstanding sum owed by such customer to Chance Wise. In the event the sales proceeds is insufficient to settle the outstanding sum, Chance Wise shall notify its customer of the deficit and such customer is required to settle the deficit within 5 days.

Repayment: The customer shall repay the principal of the Advance and all accrued interests within 90 days from the date when Chance Wise settled the purchase price with the 3C suppliers.

Outstanding principal as at 31 March 2025: HK\$20,391,000 as at 31 March 2025

Note: “Advance” represents the maximum amount of advance which may be granted by Chance Wise to such customer at any point of time during the term of such Master Supply Chain Financing Agreement. A customer may re-borrow (in whole or in part) any amount prepaid in accordance with the terms and conditions of the respective Master Supply Chain Financing Agreement.

Save as disclosed above, as at 31 March 2025, the Group had no other circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules.

FINANCIAL REVIEW

Key Financial Data

	As at/Year ended 31 March		Approximate
	2025	2024	percentage change
Results of operation (HK\$'000)			
Revenue	30,491	23,591	29.2%
Profit/(loss) before tax	(11,853)	9,616	(223.3%)
Total comprehensive income/(loss) for the year attributable to owners of the Company	<u>(12,907)</u>	<u>8,887</u>	(245.2%)
Financial position (HK\$'000)			
Current assets	232,326	217,700	5.9%
Current liabilities	64,053	70,436	(9.1%)
Net assets	<u>145,971</u>	<u>153,895</u>	(5.1%)
Key financial ratios			
Net profit margin	(43.3%)	37.7%	
Return on equity	(8.9%)	5.8%	
Return on total assets	(5.4%)	3.9%	
Current ratio	3.6 times	3.1 times	
Net debt to equity ratio	Net Cash Position	Net Cash Position	
Gearing ratio	<u>36.4%</u>	<u>19.5%</u>	

The Group recorded a total revenue for the Reporting Period of approximately HK\$30,491,000, representing an increase of approximately 29.2% from approximately HK\$23,591,000 for the Corresponding Period. Details are stated as below:

- (i) The Group's commission income from securities dealing and brokerage services increased by approximately 83.6% from approximately HK\$2,073,000 in the Corresponding Period to approximately HK\$3,807,000 in the Reporting Period;
- (ii) The Group generated fee and commission income from placing and underwriting activities of approximately HK\$6,097,000 in the Reporting Period (Corresponding Period: HK\$2,436,000);
- (iii) The Group's interest income from loan financing, margin financing and money lending services decreased by approximately 62.2% from approximately HK\$8,990,000 in the Corresponding Period to approximately HK\$3,394,000 in the Reporting Period;
- (iv) The Group did not record fee income from asset management services for the Reporting Period (Corresponding Period: HK\$440,000);
- (v) The Group recorded interest income and service fees from supply chain financing of approximately HK\$15,579,000 for the Reporting Period (Corresponding Period: HK\$8,430,000);
- (vi) The Group did not record any service fee from trust services during the Reporting Period (Corresponding Period: HK\$ Nil);
- (vii) The Group recorded advisory fee income of approximately HK\$240,000 for the Reporting Period (Corresponding Period: HK\$312,000);
- (viii) During the Reporting Period, the fair value changes on financial assets at fair value through profit or loss was at a loss of approximately HK\$8,243,000 (Corresponding Period: gain of approximately HK\$6,704,000); and
- (ix) Other revenue increased by 51.0% from approximately HK\$910,000 in the Corresponding Period to approximately HK\$1,374,000 in the Reporting Period.

Other Gains

Other gains mainly consist of sundry income of approximately HK\$72,000 and government grants amounted to approximately HK\$546,000. The total other gains for the Reporting Period was approximately HK\$618,000 (Corresponding Period: approximately HK\$1,942,000).

Commission Expenses

Commission expenses represent commission paid to the Group's accounts executives (including in-house and self-employed accounts executives) and commission paid to sub-placing agents or sub-underwriters engaged by the Group for the fund raising exercises participated by the Group. Total commission expenses increased by approximately 45.8% from approximately HK\$417,000 in the Corresponding Period to approximately HK\$608,000 in the Reporting Period which was mainly due to the increase in commission paid to accounts executives by approximately HK\$191,000.

Depreciation expenses for right-of-use assets

Upon implementation of HKFRS 16 effective from 1 January 2020, if the Group enters into any lease transaction as a lessee, it should recognise the right-of-use assets and will be regarded as an acquisition of asset under the GEM Listing Rules. Depreciation expenses for right-of-use assets represent the leasing period from the head office in Hong Kong. The depreciation expenses for right-of-use assets for the Reporting Period was approximately HK\$2,317,000 (Corresponding Period: HK\$1,486,000).

Staff Costs

Staff costs include Directors' emoluments, staff salaries, bonus, allowances and contribution to Mandatory Provident Fund. As at 31 March 2025, the Group had a total of 19 employees including Directors (31 March 2024: 19). Staff costs is one of the largest expense in the Group which accounted for approximately 21.1% of the total expenses of the Group in the Reporting Period (Corresponding Period: approximately 31.7%). Total staff costs in the Reporting Period was approximately HK\$7,570,000, representing an increase of approximately 3.5% from approximately HK\$7,317,000 in the Corresponding Period.

Other Operating Expenses

Other operating expenses primarily consist of legal and professional fees, entertainment expenses, office rent and rates, software and stock information expenses and various miscellaneous office expenses. Total other operating expenses increased by 0.72% from approximately HK\$10,525,000 in the Corresponding Period to approximately HK\$10,601,000 in the Reporting Period, and the breakdown is disclosed in note 4 to the financial statements contained in this announcement.

Exchange (Loss)/Gain

The foreign exchange loss for the Reporting Period was approximately HK\$331,000 (the Corresponding Period: gain of HK\$144,000), which was mainly due to translation of USD to HKD in the supply chain financing segment.

Impairment of Assets

Impairment of assets for the Reporting Period was approximately HK\$11,033,000 (Corresponding Period: HK\$1,831,000) which is all from impairment losses of HK\$8,409,000 on account receivables and HK\$2,624,000 on loan receivables, respectively (Corresponding Period: all from an impairment on account receivables).

The impairment loss on accounts receivables for the Reporting Period was made over a loan financing debtor. The loan was secured by listed shares owned by the debtor. Based on default by this debtor, GSL has obtained judgement against this debtor from the court in March 2021. In August 2023, the pledged shares were transferred to the borrower's securities account with GSL. GSL could then start disposing the pledged shares to recover the loan position. While the market value of the pledged listed shares has dropped, impairment was made accordingly. In addition, two of the margin clients' pledged shares were forced to sell due to the fluctuation of the shares. The margin clients have not repaid the deficit resulted from the force sell. The impairment loss from the force sell was recorded. The total impairment losses on loan receivables for the Reporting Period was HK\$6,988,000.

Impairment assessment was performed on the Group's property and equipment and right-of-use assets for its head office, and no impairment loss was recorded for the Reporting Period.

Loss for the Year

Loss for the Year was approximately HK\$13,217,000, as compared with a profit of approximately HK\$8,890,000 in the Corresponding Period. Basic loss per share in the Reporting Period was approximately HK29.28 cents, as compared with earning per share of approximately HK22.22 cents in the Corresponding Period, both are adjusted by the share consolidation implemented on 17 April, 2025.

Dividend

The Board does not recommend the payment of any dividend for the Reporting Period (Corresponding Period: nil).

Right-of-use Assets

As at 31 March 2025, the Group's right-of-use assets amounted to approximately HK\$4,829,000, which is lease arrangement for the Hong Kong office.

Investments at fair value through profit or loss

The investment at fair value through profit or loss held by the Company is shares of a Hong Kong listed company due to an underwriting engagement of its rights issue in March 2023, the fair value being the market value of these shares.

LIQUIDITY AND FINANCIAL RESOURCES

For the Reporting Period, the Group mainly financed its operations, capital expenditure and other capital requirements by internal resources, proceeds from placing of new shares, proceeds from issue of private placement bond, bank borrowings and a loan facility provided by the Company's controlling shareholder.

As at 31 March 2025, the net current assets of the Group amounted to approximately HK\$166,544,000 (31 March 2024: approximately HK\$147,264,000), including cash and cash equivalents of approximately HK\$27,060,000 excluding cash held on behalf of customers (31 March 2024: approximately HK\$10,153,000). The current ratio of the Group, being the ratio of current assets to current liabilities, was approximately 3.6 times (31 March 2024: 3.1 times).

As at 31 March 2025, the outstanding bank borrowings liable to the Group amounted to approximately HK\$18,025,000 (Corresponding Period: HK\$ Nil).

CAPITAL STRUCTURE

As at 31 March 2025, the Company has issued and fully paid 2,380,000,000 ordinary shares of par value HK\$0.01 each.

Placing of Shares and Use of Proceeds

On 4 September 2024, the Company entered into a placing agreement with the placing agent (the **"Placing Agent"**), pursuant to which the Company proposes to offer for subscription and the Placing Agent has agreed, as agent of the Company, to procure not less than six (6) placees on a best effort basis to subscribe for up to 380,000,000 new shares under general mandate at a price of not less than HK\$0.014 per placing share (the **"Placing of Shares"**). The Placing of Shares was completed on 17 September 2024, where a total of 380,000,000 new shares has been successfully placed by the Placing Agent to not less than six (6) placees pursuant to the terms and conditions of the placing agreement. The gross proceeds from the Placing of Shares are approximately HK\$5,320,000 and the net proceeds (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing of Shares) are approximately HK\$27,000 which will be used for the general working capital of the Group including rental payments, staff costs, professional fees and other general administrative and operating expenses.

The net proceeds have been fully utilised in a manner consistent with the announcements in relation to the Placing of Shares. Details of the Placing of Shares were set out in the announcements of the Company dated 4 September 2024 and 17 September 2024.

Share Consolidation

On 7 March 2025, the Company announced the proposal of (i) the share consolidation pursuant to which every fifty (50) existing shares of par value HK\$0.01 each in the issued and unissued share capital of the Company be consolidated into one (1) consolidated share of par value of HK\$0.5 each. (the “**Share Consolidation**”); and (ii) the change in board lot size for trading on the Stock Exchange from 20,000 existing shares to 5,000 consolidated shares subject to and upon the Share Consolidation becoming effective (the “**Change in Board Lot Size**”). The Share Consolidation was approved by the Company’s shareholders at the Company’s extraordinary general meeting held on 15 April 2025. As such, the Share Consolidation and the Change in Board Lot Size have been effective on 17 April 2025 and 7 May 2025, respectively.

Upon the implementation of the Share Consolidation on 17 April 2025, the authorised share capital of the Company was at HK\$80,000,000 divided into 160,000,000 consolidated shares of par value of HK\$0.5 each, of which 47,600,000 consolidated shares are in issue which are fully paid or credited as full paid.

For details of the Share Consolidation and the Change in Board Lot Size, please refer to the announcements of the Company dated 7 March 2025 and 15 April 2025, and the circular of the Company dated 21 March 2025.

CHARGE ON GROUP ASSETS

As at 31 March 2025, the Group did not have any charges on its assets (31 March 2024: Nil).

SIGNIFICANT INVESTMENTS

The Group hold shares of a Hong Kong listed company due to an underwriting engagement of its rights issue in March 2023. As at 31 March 2025, the book value of this investment at fair value stood at approximately HK\$4,738,000 (31 March 2024: HK\$13,842,000). During the Reporting Period, the fair value changes on financial assets at fair value through profit or loss was at a loss of approximately HK\$8,243,000 (Corresponding Period: gain of approximately HK\$6,704,000). Save as disclosed in this announcement, the Group did not hold any significant investments during the Reporting Period.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no material acquisition or disposal of subsidiaries, associates and joint ventures during the Reporting Period.

CAPITAL COMMITMENTS

The Group had no significant outstanding capital commitment as at 31 March 2025 (31 March 2024: nil).

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 March 2025 (31 March 2024: nil).

EVENTS AFTER THE REPORTING PERIOD

On 7 March 2025, the Company announced the proposal of (i) the Share Consolidation; and (ii) the Change in Board Lot Size.

The Share Consolidation was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 15 April 2025. As such, the Share Consolidation and the Change in Board Lot Size have been effective on 17 April 2025 and 7 May 2025, respectively. For details of the Share Consolidation and the Change in Board Lot Size, please refer to the announcements of the Company dated 7 March 2025 and 15 April 2025, and the circular of the Company dated 21 March 2025.

Save as disclosed in this announcement, the Directors are not aware of any significant event requiring disclosure that has been taken place subsequent to 31 March 2025 and up to the date of this announcement.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

The Board and senior management of the Company are committed to promoting high standards of corporate governance practices and procedures to ensure that sound and appropriate corporate governance practices are in place to grow the Group and safeguard the interests of shareholders and the Group's assets.

The Company has adopted the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 of the GEM Listing Rules as its own code of corporate governance. For the year ended 31 March 2025, to the best of the knowledge of the Board, the Company was in compliance with the relevant code provisions set out in the CG Code, except for the deviations explained below.

Code provision	Reasons for the non-compliance and improvement actions took or to be taken
C.1.8	As the Company intends to solicit a suitable insurer at reasonable commercial terms and conditions, therefore has not yet sourced an appropriate insurance cover in respect of legal action against its Directors for the year ended 31 March 2025.
C.2.1	The Company has not appointed a chief executive officer as role and functions of chief executive officer have been performed by all the executive Directors collectively. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives effectively and efficiently in response to the changing environment. The Board will continuously assess whether any changes are necessary.

Code provision	Reasons for the non-compliance and improvement actions took or to be taken
D.1.2	<p>The Company has not provided all members of the Board with monthly updates to enable the Board as a whole and each Director to discharge their duties. However, the Company has based on business situation, provided to the Board on a quarterly basis, updated business information to enable the Board as a whole and each Director to discharge their duties. The Company considers that such business information arising out of the ordinary business provided to the Board from time to time instead of monthly updates are sufficient for the Board to discharge its duties. In the event there are any significant updates to be provided, the Company will update all the Directors as early as practicable for discussion and resolution. Every Director could make enquiries with the Company about the business operation of the Group and give suggestions or feedback freely.</p>

The Board will continue to review its corporate governance practices in order to enhance its corporate governance standards, comply with the increasingly complicated regulatory requirements, and meet with the rising expectations of the shareholders and respective investors of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings (the “**Required Standard of Dealings**”) set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries with all Directors, the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the year ended 31 March 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2025.

AUDIT COMMITTEE

The audit committee of the Company currently comprised three independent non-executive Directors, has reviewed with the management and the external auditors of the Company, the annual results of the Group for the year ended 31 March 2025 and the accounting principles and policies adopted by the Group.

SCOPE OF WORK OF THE COMPANY’S AUDITOR IN RESPECT OF THE PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 March 2025 as set out in this preliminary announcement have been agreed by the Group’s auditors, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.gyf.com.hk. The annual report of the Company for the year ended 31 March 2025 containing the information required by the GEM Listing Rules and the applicable law will be dispatched to the Shareholders in due course.

By order of the Board
Gaoyu Finance Group Limited
Fok Yuk Tong
Chairman and Executive Director

Hong Kong, 25 June 2025

As at the date of this announcement, the Board comprises six Directors, namely Mr. Fok Yuk Tong (Chairman), Ms. Hsieh Ching Chun and Ms. Fok Kit Yee as executive Directors; and Ms. Chan Hoi Wuen Katherine, Mr. Tong Wing Chi and Mr. Kwan Tsz Chun Sun as independent non-executive Directors.

This announcement will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least 7 days from the date of its posting and be posted on the website of the Company at www.gyf.com.hk.