

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



信銘生命科技集團有限公司
Aceso Life Science Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00474)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of Aceso Life Science Group Limited (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 March 2023 (the “**Year**”) together with the comparative figures for the corresponding period for the year ended 31 March 2022 (the “**Previous Year**”) as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE YEAR ENDED 31 MARCH 2023

	<i>Notes</i>	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Revenue	3	312	315
Cost of revenue		<u>(171)</u>	<u>(153)</u>
Gross profit		141	162
Other income	4	49	28
Fair value (losses)/gains:		(50)	(396)
– investment properties		(19)	85
– financial assets at fair value through profit or loss (“FVTPL”)		(82)	(510)
– financial liabilities at FVTPL		51	29
Other gains, net	5	63	24
Administrative expenses		(123)	(146)
Reversal of impairment losses:		48	13
– property, plant and equipment		–	2
– intangible assets		13	2
– financial assets (expected credit losses)		35	9
Share-based payment expenses		(3)	(7)
Share of results of associates		(131)	(44)
Share of results of joint ventures		(78)	(30)
Finance costs	6	<u>(129)</u>	<u>(159)</u>
Loss before taxation	7	(213)	(555)
Income tax credit/(expense)	8	<u>5</u>	<u>(41)</u>
Loss for the year		<u>(208)</u>	<u>(596)</u>

	<i>Notes</i>	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Other comprehensive (loss)/income after tax:			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value (loss)/gain on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")		(127)	41
<i>Items that may be reclassified to profit or loss:</i>			
Share of associates' exchange differences on translating foreign operation		3	11
Exchange differences on translating foreign operations		(70)	(26)
Other comprehensive (loss)/income for the year, net of tax		<u>(194)</u>	<u>26</u>
Total comprehensive loss for the year		<u>(402)</u>	<u>(570)</u>
Loss for the year attributable to:			
Owners of the Company		(264)	(370)
Non-controlling interests		56	(226)
		<u>(208)</u>	<u>(596)</u>
Total comprehensive loss for the year attributable to:			
Owners of the Company		(438)	(341)
Non-controlling interests		36	(229)
		<u>(402)</u>	<u>(570)</u>
Loss per share	<i>10</i>		
Basic (HK cents per share)		<u>(3.61)</u>	<u>(5.14)</u>
Diluted (HK cents per share)	<i>10</i>	<u>(3.61)</u>	<u>(5.55)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	<i>Notes</i>	2023 HK\$'million	2022 <i>HK\$'million</i>
Non-current assets			
Property, plant and equipment		254	254
Right-of-use assets		27	29
Investment properties		1,518	1,625
Intangible assets		171	158
Interests in associates		1,130	1,308
Interests in joint ventures		2	80
Financial assets at FVTOCI		801	441
Loan receivables	<i>11</i>	–	16
Finance lease receivables		–	2
Corporate note receivables	<i>13</i>	42	–
Deferred tax assets		54	53
Pledged bank deposits		–	21
Other receivables and deposits		5	10
		<hr/>	<hr/>
Total non-current assets		4,004	3,997
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current assets			
Inventories		2	6
Properties under development		352	368
Trade receivables	<i>12</i>	115	149
Other receivables, deposits and prepayments		30	124
Financial assets at FVTPL		415	522
Loan receivables	<i>11</i>	145	331
Finance lease receivables		2	4
Corporate note receivables	<i>13</i>	465	471
Pledged bank deposits		30	–
Trusted and segregated bank accounts		554	96
Cash and cash equivalents		187	195
		<hr/>	<hr/>
Total current assets		2,297	2,266
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total assets		6,301	6,263
		<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

	<i>Notes</i>	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Current liabilities			
Lease liabilities		14	12
Bank and other borrowings	<i>14</i>	1,702	1,734
Corporate note payables		435	390
Trade payables	<i>15</i>	13	6
Other payables, deposits received and accruals		666	289
Income tax payables		25	20
Total current liabilities		2,855	2,451
Net current liabilities		(558)	(185)
Total assets less current liabilities		3,446	3,812
Non-current liabilities			
Lease liabilities		15	17
Deferred tax liabilities		100	111
Bank and other borrowings	<i>14</i>	41	188
Corporate note payables		137	40
Financial liabilities at FVTPL		578	629
Total non-current liabilities		871	985
NET ASSETS		2,575	2,827
EQUITY			
Share capital	<i>16</i>	73	74
Reserves		1,476	1,928
		1,549	2,002
Non-controlling interests		1,026	825
TOTAL EQUITY		2,575	2,827

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

Aceso Life Science Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) is an exempted limited liability company incorporated in the Cayman Islands. Its immediate and ultimate holding company is Asia Link Capital Investment Holdings Limited, which is incorporated in the British Virgin Islands (“**BVI**”), and the ultimate controlling shareholder is Ms. Li Shao Yu. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY-1111, Cayman Islands. The principal place of business in Hong Kong is Rooms 2501–2509, 25/F, Shui On Centre, 6–8 Harbour Road, Wanchai, Hong Kong. The ordinary shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company and the principal activities of the Group include: (i) securities investment; (ii) provision of securities brokerage and financial services; (iii) asset management; (iv) rental and trading of construction machinery; (v) provision of repair and maintenance and transportation service; (vi) property development; (vii) property leasing; and (viii) money lending.

These consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”) and rounded to the nearest million (“million”), unless otherwise stated.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) 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 2022. HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

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

3. REVENUE AND SEGMENT INFORMATION

(a) Description of segments and principal activities

The Group has identified six reportable segments of its business:

- (i) **Rental and sale of construction machinery and spare parts business:** The Group offers crawler cranes of different sizes, other mobile cranes, aerial platforms and foundation equipment in its construction machinery rental fleet in Hong Kong. The Group also sells construction machinery and spare parts in Hong Kong and Macau.
- (ii) **Provision of repair and maintenance and transportation service business:** The Group provides repair and maintenance service for construction machinery, in particular the crawler cranes, in Hong Kong. The Group also provides transportation services which include local container delivery, construction site delivery and heavy machinery transport in Hong Kong.
- (iii) **Money lending business:** The Group holds money lending licenses and offers mortgaged loan and personal loan businesses in Hong Kong.
- (iv) **Provision of asset management, securities brokerage and other financial service business:** The Group holds Securities and Future Commission licenses for conducting type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance and provides a wide range of financial services in Hong Kong.
- (v) **Property leasing business:** The Group holds a commercial property in London, the United Kingdom (the “UK”), for leasing.
- (vi) **Property development business:** The Group holds properties under development in Malaysia through a subsidiary and in Cambodia through an associate.

(b) Segment profit or loss

The segment profit or loss for the reportable segments provided to the chief operating decision maker and reconciliation to loss before taxation for the years ended 31 March 2023 and 2022 are as follows:

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

	2023						
	Rental and sale of construction machinery and spare parts <i>HK\$'million</i>	Provision of repair and maintenance and transportation service <i>HK\$'million</i>	Money lending <i>HK\$'million</i>	Provision of asset management, securities brokerage and other financial services <i>HK\$'million</i>	Property leasing <i>HK\$'million</i>	Property development <i>HK\$'million</i>	Total <i>HK\$'million</i>
Segment revenue							
External revenue	<u>225</u>	<u>8</u>	<u>14</u>	<u>10</u>	<u>55</u>	<u>-</u>	<u>312</u>
Segment results before the following items:	70	9	21	10	30	-	140
- Depreciation and amortisation	(38)	-	-	-	-	-	(38)
- Reversal of impairment losses:							
- intangible assets	13	-	-	-	-	-	13
- financial assets (expected credit losses)	5	-	17	4	-	-	26
- Interest income	-	-	-	1	-	-	1
- Finance costs	<u>(3)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(24)</u>	<u>-</u>	<u>(28)</u>
Segment results	<u>47</u>	<u>9</u>	<u>37</u>	<u>15</u>	<u>6</u>	<u>-</u>	<u>114</u>
Unallocated:							
- Other income							36
- Fair value losses							(31)
- Other gains							56
- Administrative expenses							(84)
- Reversal of impairment losses of financial assets (expected credit losses)							9
- Share-based payment expenses							(3)
- Share of results of associates							(131)
- Share of results of joint ventures							(78)
- Finance costs							<u>(101)</u>
Loss before taxation							<u>(213)</u>

2022

	Rental and sale of construction machinery and spare parts <i>HK\$'million</i>	Provision of repair and maintenance and transportation service <i>HK\$'million</i>	Money lending <i>HK\$'million</i>	Provision of asset management, securities brokerage, commodities, futures and other financial services <i>HK\$'million</i>	Property leasing <i>HK\$'million</i>	Property development <i>HK\$'million</i>	Total <i>HK\$'million</i>
Segment revenue							
External revenue	<u>177</u>	<u>10</u>	<u>41</u>	<u>16</u>	<u>71</u>	<u>-</u>	<u>315</u>
Segment results before the following items:	60	5	26	12	142	-	245
- Depreciation and amortisation	(50)	-	-	-	-	-	(50)
- Reversal/(provisional) of impairment losses:							
- property, plant and equipment	2	-	-	-	-	-	2
- intangible assets	2	-	-	-	-	-	2
- financial assets (expected credit losses)	(7)	-	6	(2)	1	-	(2)
- Finance costs	(5)	-	(1)	-	(27)	-	(33)
Segment results	<u>2</u>	<u>5</u>	<u>31</u>	<u>10</u>	<u>116</u>	<u>-</u>	<u>164</u>
Unallocated:							
- Other income							23
- Fair value losses							(481)
- Other gains							25
- Administrative expenses							(90)
- Reversal of impairment losses:							
- financial assets (expected credit losses)							11
- Share-based payment expenses							(7)
- Share of results of associates							(44)
- Share of results of joint ventures							(30)
- Finance costs							(126)
Loss before taxation							<u>(555)</u>

No segment assets and liabilities are presented as the chief operating decision maker does not regularly review segment assets and liabilities.

(c) **Geographical information**

The geographical information about the Group's revenue from external customers by location of operations and the non-current assets other than financial instruments and deferred tax assets in which the assets are physically located is detailed below:

	Revenue		Non-current assets <i>(note)</i>	
	For the year ended 31 March		As at 31 March	
	2023	2022	2023	2022
	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>	<i>HK\$'million</i>
Hong Kong	256	243	433	449
UK	55	71	1,540	1,625
The People's Republic of China (the "PRC")	-	-	5	261
Macau	1	1	-	-
Cambodia	-	-	1,127	1,127
	<u>312</u>	<u>315</u>	<u>3,105</u>	<u>3,462</u>

Note:

Non-current assets excluded financial assets at FVTOCI, loan receivables, finance lease receivables, deferred tax assets, pledged bank deposits, corporate note receivables and financial assets included in other receivables and deposits.

(d) **Information about major customers**

There is no external customer over 10% of the total revenue of the Group.

(e) **Revenue summary**

	2023	2022
	<i>HK\$'million</i>	<i>HK\$'million</i>
Revenue from contracts with customers <i>(note)</i> :		
– Sale of construction machinery and spare parts	65	49
– Repair and maintenance and transportation service income	8	10
– Commission income generated from asset management, securities brokerage, commodities, futures and other financial services	6	9
	<u>79</u>	<u>68</u>
Revenue from other sources:		
– Rental income generated from construction machinery	160	128
– Rental income generated from leasing of investment properties	55	71
– Interest income generated from money lending	14	41
– Interest income generated from margin financing	4	7
	<u>233</u>	<u>247</u>
	<u>312</u>	<u>315</u>

Note:

Disaggregated revenue from contract with customers

For the year ended 31 March 2023

	Sale of construction machinery and spare parts <i>HK\$'million</i>	Provision of repair and maintenance and transportation service <i>HK\$'million</i>	Provision of asset management, securities brokerage and other financial services <i>HK\$'million</i>	Total <i>HK\$'million</i>
Sale of construction machinery and spare parts	65	–	–	65
Repair and maintenance and transportation service income	–	8	–	8
Commission income generated from asset management, securities brokerage and other financial services	–	–	6	6
	<u>65</u>	<u>8</u>	<u>6</u>	<u>79</u>
Timing of revenue recognition				
At a point in time	65	–	6	71
Over time	–	8	–	8
	<u>65</u>	<u>8</u>	<u>6</u>	<u>79</u>

For the year ended 31 March 2022

	Sale of construction machinery and spare parts <i>HK\$'million</i>	Provision of repair and maintenance and transportation service <i>HK\$'million</i>	Provision of asset management, securities brokerage, commodities, futures and other financial services <i>HK\$'million</i>	Total <i>HK\$'million</i>
Sale of construction machinery and spare parts	49	–	–	49
Repair and maintenance and transportation service income	–	10	–	10
Commission income generated from asset management, securities brokerage, commodities, futures and other financial services	–	–	9	9
	<u>49</u>	<u>10</u>	<u>9</u>	<u>68</u>
Timing of revenue recognition				
At a point in time	49	–	9	58
Over time	–	10	–	10
	<u>49</u>	<u>10</u>	<u>9</u>	<u>68</u>

4. OTHER INCOME

	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Interest earned on:		
– corporate note receivables	28	19
– bank deposits	2	2
Compensation received for termination of a lease	6	–
Government grant	1	1
Rental income	5	3
Others	7	3
	<u>49</u>	<u>28</u>

5. OTHER GAINS, NET

	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Extinguishment gain on early principal redemption of convertible note payables	–	9
Foreign exchange gain	1	14
Gain on disposal of property, plant and equipment	6	1
Gain on disposal of associates	1	–
Gain on disposal of a subsidiary	1	–
Gain on early settlement of a corporate note payable	54	–
	<u>63</u>	<u>24</u>

6. FINANCE COSTS

	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Interest expenses arising from:		
– bank and other borrowings	99	97
– corporate note payables	40	55
– convertible note payables	–	1
– lease liabilities	1	1
Exchange difference on borrowings	(11)	5
	<u>129</u>	<u>159</u>

7. LOSS BEFORE TAXATION

This is stated at after charging/(crediting) the following:

	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Auditor's remuneration	2	2
Cost of inventories sold	58	44
Depreciation of:		
– property, plant and equipment	40	57
– right-of-use assets	12	11
Direct operating expenses from investment properties	36	40
Gain on disposal of items of property, plant and equipment	(6)	(1)
Staff costs (including director's remuneration):		
– Salaries, bonuses and allowances	90	97
– Retirement benefit scheme contributions	2	2
– Share based payments	3	7
	<u>95</u>	<u>106</u>

8. INCOME TAX (CREDIT)/EXPENSE

	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Current income tax		
– Current year		
– Hong Kong	9	2
– UK	–	6
– Over-provision in prior years	(4)	(6)
	<u>5</u>	<u>2</u>
Deferred tax		
– Current year	(10)	39
	<u>(5)</u>	<u>41</u>

9. DIVIDENDS

No dividend has been paid or declared by the Company during the year ended 31 March 2023 (2022: Nil).

10. LOSS PER SHARE

(a) Basic

Basic loss per share was calculated by dividing the loss for the year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2023	2022
Loss for the year attributable to the owners of the Company (<i>HK\$'million</i>)	(264)	(370)
Weighted average number of ordinary shares in issue (<i>million shares</i>)	<u>7,318</u>	<u>7,203</u>
Basic loss per share (<i>HK cents</i>)	<u><u>(3.61)</u></u>	<u><u>(5.14)</u></u>

(b) Diluted

	<i>Notes</i>	2023	2022
Adjusted loss for the year attributable to owners of the Company used to determine the diluted loss per share (<i>HK\$' million</i>)	<i>(i)</i>	(264)	(413)
Weighted average number of ordinary shares in issue (<i>million shares</i>)	<i>(ii)</i>	<u>7,318</u>	<u>7,439</u>
Diluted loss per share (<i>HK cents</i>)		<u><u>(3.61)</u></u>	<u><u>(5.55)</u></u>

Notes:

- (i) Adjusted loss for the year attributable to owners of the Company used to determine the diluted loss per share is calculated as follows:

	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Loss for the year attributable to the owners of the Company	(264)	(370)
Adjustments for:		
– Assumed exercise of call option	–	(35)
– Assumed conversion of convertible note payables	–	(8)
	<u>–</u>	<u>(8)</u>
Adjusted loss for the year attributable to owners of the Company used to determine the diluted loss per share	<u>(264)</u>	<u>(413)</u>

- (ii) Weighted average number of ordinary shares for the purpose of diluted loss per share is calculated as follows:

	2023 <i>million shares</i>	2022 <i>million shares</i>
Weighted average number of ordinary shares for the purpose of basic loss per share	7,318	7,203
Adjustment for:		
– Assumed exercise of call option	–	181
– Assumed conversion of convertible note payables	–	55
	<u>–</u>	<u>55</u>
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>7,318</u>	<u>7,439</u>

11. LOAN RECEIVABLES

	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Non-current		
Secured fixed-rate loan receivables	–	20
Less: Allowance for expected credit losses	–	(4)
	<u>–</u>	<u>16</u>
Current		
Secured fixed-rate loan receivables	107	89
Unsecured fixed-rate loan receivables	150	400
Less: Allowance for expected credit losses	(112)	(158)
	<u>145</u>	<u>331</u>
	<u>145</u>	<u>347</u>

12. TRADE RECEIVABLES

	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Trade receivables		
Rental income from construction machinery business	56	66
Securities brokerage	48	82
Rental income from leasing of investment properties	25	24
	<u>129</u>	<u>172</u>
Less: Allowance for expected credit losses	(14)	(23)
	<u>115</u>	<u>149</u>

Notes:

- (a) The Group allows an average credit period of 0–30 days to its trade customers arising from construction machinery and sales of construction materials business. The credit period provided to customers can be longer based on a number of factors including the customer's credit profile and relationship with the customers. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed regularly. The Group has a policy for allowance for expected credit losses which is based on the evaluation of the collectability and aging analysis of accounts on every individual trade debtor basis and on the management's judgement including creditworthiness and the past collection history of each customer.

For those securities trading clients, it normally takes two to three days to settle after trade date of those transactions. These outstanding unsettled trades due from clients are reported as trade receivables from clients.

Trade receivables from cash and margin clients arising from commodities, futures and securities brokerage business are repayable on demand subsequent to settlement date. The margin clients of the securities brokerage business are required to pledge their investments to the Group for credit facilities for commodities, futures and securities trading. The settlement terms of trade receivables from clearing houses are usually one to two days after the trade date.

- (b) The aging analysis by invoice date of trade receivables (other than rental income from leasing of investment properties) before allowance for expected credit losses is as follows:

	2023	2022
	<i>HK\$'million</i>	<i>HK\$'million</i>
0–30 days	17	27
31–60 days	20	22
61–90 days	4	16
91–180 days	21	19
181–365 days	11	32
Over 365 days	31	32
	<u>104</u>	<u>148</u>

13. CORPORATE NOTE RECEIVABLES

	2023	2022
	<i>HK\$'million</i>	<i>HK\$'million</i>
Non-current		
Future World Holdings Limited	<u>42</u>	<u>–</u>
Current		
Imperial Pacific International Holdings Limited	262	262
CISI Investment Limited	167	167
Nanshan Capital Holding Limited	361	360
Central Wealth Group Holdings Limited	42	51
Less: Allowance for expected credit losses	<u>(367)</u>	<u>(369)</u>
	<u>465</u>	<u>471</u>
	<u>507</u>	<u>471</u>

14. BANK AND OTHER BORROWINGS

	2023	2022
	<i>HK\$'million</i>	<i>HK\$'million</i>
Bank borrowings	663	654
Loans from other financial institutions	1,080	1,228
Loans from a director of subsidiaries	–	40
	<u>1,743</u>	<u>1,922</u>
Representing:		
Current	1,702	1,734
Non-current	41	188
	<u>1,743</u>	<u>1,922</u>
The borrowings are repayable as follows:		
On demand or within one year	1,702	1,734
Between 1 and 2 years	22	174
Between 2 and 5 years	19	14
	<u>1,743</u>	<u>1,922</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(1,702)</u>	<u>(1,734)</u>
Amount due for settlement after 12 months	<u>41</u>	<u>188</u>

Notes:

(a) The average interest rates at 31 March were as follows:

	2023	2022
Bank borrowings	6.03%	3.50%
Loans from other financial institutions	4.92%	5.18%
Loans from a director of subsidiaries	N/A	3.00%

- (b) Borrowings arranged at fixed interest rates and expose the Group to fair value interest rate risk are as follows:

	2023	2022
	<i>HK\$'million</i>	<i>HK\$'million</i>
Bank borrowings	12	593
Loans from other financial institutions	1,080	1,234
Loans from a director of subsidiaries	–	40
	<u>1,092</u>	<u>1,867</u>

Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

- (c) The directors estimate the fair value of the Group's borrowings approximate the carrying value of the borrowings.
- (d) Bank and other borrowings of HK\$1,731 million (2022: HK\$1,864 million) are secured. As at 31 March 2023, the carrying amounts of financial and non-financial assets pledged as security for certain bank borrowings and loans from other financial institutions are as follows:

	2023	2022
	<i>HK\$'million</i>	<i>HK\$'million</i>
Investment properties	1,518	1,625
Corporate note receivables	360	358
Property, plant and equipment	125	114
Financial assets at FVTPL	103	24
Pledged bank deposits	30	21
	<u>2,136</u>	<u>2,142</u>
Total assets pledged as security	<u>2,136</u>	<u>2,142</u>

- (e) Certain bank and other borrowings of the Group are secured by equity interest of certain subsidiaries.
- (f) As at 31 March 2023, certain financial covenant on bank borrowings at HK\$500 million were not meet. A financial covenant waiver letter in respect of HK\$367 million was received on 20 June 2023. The Board of Directors considers such incident did not have any materiel impact to the financial position and operation of the Group.
- (g) As at 31 March 2023, bank and other borrowings of HK\$768 million, which are repayable after one year in accordance with the repayment schedule of the loan agreements, are classified as current liabilities as the bank and other borrowings have repayment on demand clauses.

15. TRADE PAYABLES

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

	2023 <i>HK\$'million</i>	2022 <i>HK\$'million</i>
Within 30 days	2	2
31 to 60 days	2	2
61 to 180 days	7	2
181 to 360 days	2	–
	<u>13</u>	<u>6</u>

16. SHARE CAPITAL

	Number of shares (<i>'million</i>)	<i>HK\$'million</i>
Ordinary shares of HK\$0.01 each		
Authorised:		
As at 1 April 2021, 31 March 2022, 1 April 2022 and 31 March 2023	<u>50,000</u>	<u>500</u>
Issued and fully paid:		
As at 1 April 2021	6,932	69
Exercise of call option	<u>455</u>	<u>5</u>
As at 31 March 2022 and 1 April 2022	7,387	74
Cancellation of shares	<u>(5)</u>	<u>(1)</u>
As at 31 March 2023	<u>7,382</u>	<u>73</u>

17. EVENTS AFTER THE REPORTING PERIOD

(1) Purchase of bonds

On 13 June 2023, True Well Limited, an indirect non-wholly owned subsidiary of the Company, executed an order with Shanghai Commercial Bank for a bond purchase at the consideration of HK\$250,848,000.

(2) Disposal of associates

On 26 June 2023, Hao Tian Media & Culture Company Limited, an indirect wholly owned subsidiary of the Company, executed an agreement for the disposal of 49% equity interest in Grand Peaceful Global Limited, an associate of the Group, at a consideration of HK\$2 million.

On 26 June 2023, Victor Ocean Developments Limited, an indirect non-wholly owned subsidiary of the Company, executed an agreement for the disposal of 49% equity interest in Lion Run Holdings Limited, an associate of the Group, at a consideration of HK\$1 million.

(3) Disposal of a joint venture

On 26 June 2023, Hao Tian Media & Culture Company Limited, an indirect wholly owned subsidiary of the Company, executed an agreement for the disposal of 50% equity interest in Success View Global Limited, a joint venture of the Group, at a consideration of HK\$2 million.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

2022 was another challenging year as the global and local pandemic of COVID-19 disrupted all types of activities. Amid major economies gradually resumed economic activities among the post-pandemic era, the global economy was still affected by the Russia-Ukraine War, heightened geo-political tension, high global inflation and interest rate. The Global and Hong Kong economy has remained vulnerable as economic recovery was uneven in different sectors. The Group remained resilient and focused on its existing businesses.

Though operations of the construction industry in Hong Kong have been affected as a consequence of COVID-19. Due to the relatively stable undertaking of government infrastructure projects, such as the Mobile Cabin Hospital (方艙醫院) and the 3rd runway of the Hong Kong International Airport, the Group managed to record an increase in the i) sales of construction machinery and spare parts, and ii) rental income generated from construction machinery during the Year. The occupancy rate for the rental machineries kept at approximately 90%.

During the Year, the Group continued to pursue a long-term business strategy of diversifying into financial services business, property leasing, property development business, and construction machinery business. The Group's principal activities include: (i) securities investment; (ii) provision of securities brokerage and financial services; (iii) asset management; (iv) rental and trading of construction machinery; (v) provision of repair and maintenance and transportation service; (vi) property development; (vii) property leasing and (viii) money lending.

Construction machinery business

The Group offers crawler cranes of different sizes, other mobile cranes, aerial platforms and foundation equipment in its construction machinery rental fleet. The Group procures these construction machinery mainly through the manufacturers of construction machinery located in Western Europe, Japan and China as well as traders of used construction machinery around the world. The Group has maintained approximately 175 units of construction machinery in the rental fleet during the Year. In order to maintain a modern fleet of construction machinery with a greater variety of models, the Group has been replacing portions of its fleet of construction machinery from time to time. The Board will continue to monitor the daily operations and review the expansion plan of the rental fleet and the capital requirements of the Group regularly. The Group may reschedule such expansion plan according to the operation and needs, the preference of the target customers and prevailing market conditions if necessary. To satisfy customers' needs, the Group also sells spare parts for maintenance purposes or upon request.

Financial services business

The Group holds licenses for conducting Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the “SFO”). The Group provides a wide range of financial services.

The revenue for the Year of the financial services business (including provision of asset management, securities brokerage and other financial services) was approximately HK\$10 million (2022: approximately HK\$16 million), represented approximately 3% (2022: approximately 5%) of the total revenue of the Group and a segment profit of approximately HK\$15 million (2022: approximately HK\$10 million). The decrease in revenue was mainly due to decrease in the value and volume of transactions in securities brokerage.

In the course of preparing the financial statements for the Year, the Company had reviewed the recoverable amount of the trading right of the business carrying on the regulated activities of Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) as defined under the SFO. During the Year, no impairment loss (2022: nil) on the trading right was recognised.

Money lending business

The Group holds money lender licenses under the Money Lenders Ordinance in Hong Kong and the money lending business was conducted through its indirect wholly-owned subsidiaries, to grant loans to individuals and enterprises. The Group strived to adhere to a set of comprehensive policy and procedural manual in respect of loan approval, loan renewal, loan recovery, loan compliance, monitoring and anti-money laundering.

(a) The size and diversity and sources of its clients, and source of funding of the money lending business

As at 31 March 2023, the Group had loans receivable with carrying amount of approximately HK\$145 million (2022: HK\$347 million). A total of approximately HK\$258 million of the loan receivables and interest income receivables was received from borrowers during the Year. The Group recorded interest income from loans receivable of approximately HK\$14 million for the Year (2022: HK\$41 million). During the Year, the Group granted two loans to independent third parties with a carrying amounts of approximately HK\$31 million.

As at 31 March 2023, there are a total number of 16 borrowers (14 individuals and 2 corporations) under the Company's Loan portfolio. The Company provides its mortgage financing service to individual and corporation clients of different backgrounds, including home owners and investment holding company, who are referred to it by sales executives. The source of funds for the money lending business is funded by the internal resources of the Group.

As at 31 March 2023, 12 loans with amount of approximately HK\$103 million were overdue, 10 loans are supported by personal guarantee and/or collateral, interest rate ranging from 8% to 16% per annum. A total of 12 cases with amount of approximately HK\$103 million were under legal proceedings (including assets under public auctions).

As at 31 March 2023, the carrying amount outstanding from the five largest borrowers of the Group totaling to HK\$109 million (representing 75% to the total loans receivable of the Group) while the carrying amount outstanding from the largest borrower amounted to HK\$32 million (representing approximately 22% to the total loans receivable of the Group).

(b) Credit risk assessment policy

The Group has performed background and credit risk assessment on the potential borrowers before granting the loans by (a) searching on their identity and background; (b) reviewing and assessing their financial information; and (c) performing an assessment on their creditability.

The Group has adopted a credit policy to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals and determination of suitable interest rate to reflect the risk level of the provision of loan.

The Company's money lending business offers both secured and unsecured loans to borrowers comprising individuals and corporations. The Company has adopted a credit risk policy and put in place loan approval procedures to manage its money lending business which includes compliance with all applicable laws and regulations, credit assessment on potential borrower and his/its assets, the credibility of the potential borrower, the necessity in obtaining collaterals, assessment of the use of proceeds and the source of repayment. Details of such policy and procedures are all consolidated in an Internal Control Manual which governs the operations of our money lending business and relevant staff are required to abide by in conducting their behaviours and delivering their target performance. In granting loans to clients, documents such as loan application, proof of identity, employer/income verification, proof of address and any relevant credit reports of potential borrowers. The scope of money lending services provided by the money lending business generally includes personal loans,

business loans on general working capital. The Company tries to diversify the loan portfolio by providing to different borrowers to lower the concentration risk. The Company does not have preference for specific types of borrowers for loan acceptance (e.g. job/business nature of borrower). The credit risk assessment was made in case-by-case basis and the Company generally looks at the 5 Cs in assessment of credit risk of borrowers, the 5 Cs are credit history, capacity to repay, capital, the loan's condition and associated collaterals. These includes but not limited to reviewing the financials of borrowers, considering the borrower's repayment history and evaluating whether the borrowers are in bankruptcy, receivership or liquidation. Within a loan category, the interest rates, the duration of the loan and repayment terms of the loan vary and is determined by factors such as background and credibility of borrowers, their business plans and present and projected operation performance, the collateral security to be made available by these borrowers, and their repayment track records (if the loan is sought by existing borrowers and previous borrowers). The determination of the loan terms reflects the risk level of the provision of loan and ensure the risk is at a controllable level.

(c) *Key internal controls*

The Group also assesses and decides the necessity and the value of security/collateral for granting of each loan, whether to an individual or enterprise, on a case by case basis considering factors, including but not limited to, the repayment history, results of public search towards the borrower, the value and location of the assets owned by the borrower and the financial condition of the borrower.

Credit approval before granting loans to potential borrowers, the Company performs credit assessment process to assess the potential borrowers' credit quality individually, such as their identity and background, assessment on their creditability, financial background of the borrowers (again, factors such as background and credibility of borrowers, their business plans and present and projected operation performance, the collateral security to be made available by these borrowers, and their repayment track records (if the loan is sought by existing clients) are considered), as well as the value and characteristics of the collaterals to be pledged. The loan proposals will be prepared by the designated loan officer and review by risk management department of money lending business on case specific issues in relation to the factors described above to determine if they have been thoroughly considered. Risk management department of money lending business will discuss each case back and forth with loan officer to fine tune its loan proposal and risk management department will make official comments on the submission draft. The loan proposal together with the comments from risk management department will then be sent to the approver(s), who are Director(s) designated with such role and function for approval through physical meeting or emails. Approver(s) may also comment, add pre-conditions and improve the terms and conditions during this process. The relevant department head(s) and approver(s) will sign off the proposals once approval is obtained for proper record.

The Company has the designated loan officer to closely monitor its loan portfolio, include regular communication with the borrowers of their financial position together with other measure such as monthly assessment of valuation of collateral (if any), repayment track record of borrower(s), change of profile of borrower(s) (such as change of employment and if there is additional liabilities on the part of the borrower(s), through which the Company will be able to keep updated with the latest credit profile and risk associated with each individual borrower and could take appropriate actions for recovery of a loan at the earliest time. Also, risk management department, which comprised of officers with background in finance, auditing and experience in money lending business will review the risk level of each of the loans on a daily basis and report to the senior management which includes Chief Executive Officer, Financial Controller and the Board in some cases regularly on their recommendation. From time to time, risk management department of the money lending business will alert the senior management on certain events (e.g. failed repayment) and advise the Company to take appropriate actions. The accounts department of the money lending business will also keep track of the repayment schedule constantly and make alerts to senior management, the Financial Controller and Chief Executive Officer in case of failed or late repayment.

(d) Recoverability and collection

At each month end, the designated loan officer will check if there is overdue balances or late payment and risk management department as described above will perform an independent review on the loans portfolio and closely monitor the status and report to the senior management. Usually there would be internal discussions on a case-by-case basis on what recovery actions to be taken so that the Company could recover the most in a timely fashion. Means like phones calls, seizure of collaterals, statutory demand letter and further legal actions would be discussed. Reminder letter and statutory demand letter will be issued to the borrower when considered appropriate if there is overdue repayment. Where appropriate, legal action will be initiated against the borrower for the recovery of the amount due and taking possession of the collateral pledged. Actions in seizure of collaterals and realization of underlying collaterals would also be taken if necessary. Where appropriate, the Company will also petition to the court for winding-up of the borrower and/or guarantor. Again, the recovery and collection decisions and processes are included in the monthly risk management report to the senior management.

The Director who operates and oversees the money lending business have vast experiences and knowledge in the industry. The risk management department which includes a senior financial management of the Company's money lending business and holds a bachelor's degree in Business and an Associated Degree in Psychology, and has more than 15 years' experience in the money lending industry. The Company's management team, which includes the chief executive

officer, chief financial officer of the Company and the Company's financial controller and the company secretary, also possesses over 10 years of experience in the corporate and banking industry and the field of accounting and auditing. Additionally, most of the Board members also possess extensive experience in corporate financing, investments and banking and financial advisory services.

(e) *Compliance with Chapter 14 and/or 14A of the Listing Rules and Money Lenders Ordinance*

Our Group is required to and has, at all times, strictly complied with all relevant laws and regulations. The Company has complied with requirements set out in Chapter 14 and/or 14A of the Listing Rules when it granted or extended the loans to each of the respective borrower whose loan was still outstanding as at 31 March 2023.

In addition to the Listing Rules, the Money Lenders Ordinance constituted a major governance on our Group's money lending business in Hong Kong. During the Year, we did not receive any objection from and was not investigated by the Registrar of Money Lenders (presently performed by the Registrar of Companies) nor the Commissioner of Police regarding the renewal of the money lenders license.

(f) *Amount of loan receivables secured by pledge of collaterals and guarantees, and nature of the collaterals*

	31 March 2023	31 March 2022
	<i>HK\$'million</i>	<i>HK\$'million</i>
Hong Kong money lending business		
– Secured only by corporate notes, shares and properties	23	81
– Secured only by personal guarantees	30	40
– Secured only by corporate notes, receivable and properties and personal guarantees	32	40
– Unsecured and no guarantee	27	42
	112	203

(g) Maturity profile of loan receivables

	31 March 2023	31 March 2022
	HK\$'million	HK\$'million
Hong Kong money lending business		
Due within 1 year	112	187
Due within 2 to 5 years	–	7
Due over 5 years	–	9
	<hr/> 112 <hr/>	<hr/> 203 <hr/>

(h) Mortgage loan and personal loan interest rate

The mortgage loan interest rate is ranging from 8% to 15% per annum (2022: 8% to 18% per annum). The personal loan interest rate is ranging from 11% to 15% per annum (2022: 10% to 16% per annum).

(i) Reasons for the movements in impairment provisions in the year

The reversal of impairment recognised in the consolidated statement of profit and loss for year ended 31 March 2023 are HK\$22 million (2022: impairment provision of approximately HK\$13 million). The reversal of impairment was because of loan of approximately HK\$258 million recovered during the year.

The Company adopted the requirements in respect of ECL assessment set forth in HKFRS 9 issued by the HKICPA in determining the impairment loss allowance for its loan receivables. The details of the accounting policies in respect of the impairment assessment of financial assets are set out in the Annual Report to the consolidated financial statements of the Group in the Annual Report. The Company has taken into account the following factors on the impairment assessment for the outstanding loans and unlisted debt securities due from the connected parties and independent third parties in accordance with the HKFRS 9: (i) the probability of default and the likelihood that the borrowers may fail to pay back the loans. The Company will perform due diligence on the financial statements and consider the macro-environment and the latest announcements of the borrowers. The repayment history of the borrowers will also be taken into account; (ii) the loss given default and the expected cash shortfall between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive. The Company will consider the value of the collaterals pledged for the loans, if any; and (iii) forward-looking market data such as gross domestic product will also impact on the recoverability of the loans. The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

As at 31 March 2023, the management had engaged an independent qualified valuer to determine the expected credit losses of the Group's loans receivable (the "loans receivable ECL"). In assessing the loans receivable ECL of the Group, a credit rating analysis of the underlying debtors was adopted by reviewing the historical accounting information to estimate the default risk. The Group applied different expected loss rates to different classes of receivables according to their respective risk characteristics. In determining the default risk, factors including but not limited to, the ageing analysis of the receivables, the Group's internal assessment of the debtors' credit worthiness, historical and forecast occurrence of event of default, existence and valuation of the collaterals, the relevant regulatory framework and government policies in Hong Kong and global economic outlook in general and the specific economic condition of Hong Kong would be considered. The rate of loans receivable ECL ranged from 3% to 61% depending on the nature (2022: 4% to 58%), probability of default and loss of the loans receivable.

Securities investment business

The Group had various securities in its investment portfolio such as listed equity securities, unlisted equity securities, unlisted funds, unlisted debts, etc. A fair value loss of approximately HK\$82 million was recorded during the Year (2022: fair value loss of approximately HK\$510 million).

For the investment in Tisé Opportunities SPC, the Company had engaged an independent qualified valuer to determine its fair value, which is primarily making reference to the information available in the market. During the Year, a fair value loss of HK\$30 million was recognised.

Leasing business

During the Year, the rental income derived from 55 Mark Lane contributed revenue of approximately HK\$55 million (2022: approximately HK\$71 million) and the fair value loss on investment property was approximately HK\$19 million (2022: fair value gain of approximately HK\$85 million).

Property development business

The Group has property development projects in Cambodia and Malaysia. In Cambodia, the Council of Ministers approved the project company to establish a special economic zone with a size of 17,252,519 square meters at Koh Kong Province, Cambodia. The project company shall have the sole and exclusive right to develop the special economic zone with all the necessary land use rights, including those for residential, industrial and commercial development purposes. The project was still in its preliminary stage during the Year because of the impact of COVID-19 in Cambodia.

The Group has another property development project in Malaysia. The project is a residential and commercial mixed property development project located at Port Dickson, Negeri Sembilan, Malaysia comprising 267,500 square meters (or 2,879,343 square feet). The property is held from the government for a lease term of 99 years expiring on 8 February 2097 for residential and commercial building uses. The project was still in its preliminary stage during the Year because of the impact of COVID-19 in Malaysia.

FINANCIAL REVIEW

The Group had incurred a loss of approximately HK\$208 million for the Year (2022: approximately HK\$596 million). Such loss was mainly attributable to the net fair value losses in financial assets at fair value through profit or loss of approximately HK\$82 million (2022: approximately HK\$510 million).

Revenue

During the Year, the total revenue was approximately HK\$312 million (2022: approximately HK\$315 million), representing a decrease by approximately HK\$3 million, or approximately 1%. Such decrease was mainly attributable to the decrease in revenue generated from money lending.

Sales of construction machinery and spare parts, rental income from construction machinery and repair and maintenance and transportation service income

During the Year, the sales of construction machinery and spare parts, rental income generated from construction machinery and repair and maintenance and transportation service income were approximately HK\$65 million (2022: approximately HK\$49 million), approximately HK\$160 million (2022: approximately HK\$128 million) and approximately HK\$8 million (2022: approximately HK\$10 million), respectively. The increase in revenue for sales of construction and spare parts was mainly attributable to the increase in rental income was mainly attributable to the increased in government projects, such as Mobile Cabin Hospital (方艙醫院) and the 3rd runway system of the Hong Kong International Airport.

Money lending, asset management, securities brokerage and other financial services

During the Year, the revenue from money lending, asset management, securities brokerage, and other financial services decreased by HK\$33 million, or 58%. Such decrease was mainly attributable to the decrease in loan receivable business.

Fair value losses on financial assets at fair value through profit or loss (“FVTPL”), net

The details of the Group’s securities investments and the net fair value losses recognised for the Year are set out as follows:

Name/(Stock Code)	(Notes)	Number of	Percentage of	Number of	Percentage of	Fair value	Fair value	Fair value	Percentage
		shares held	shareholdings	shares held	shareholdings	at 31 March	at 31 March	(losses)/gains	of total assets
		at 31 March	at 31 March	at 31 March	at 31 March	at 31 March	at 31 March	for the Year	of the Group
		2022	2022	2023	2023	2022	2023	HK\$’million	at 31 March
						HK\$’million	HK\$’million	HK\$’million	2023
Shandong Hi-Speed Holdings Group Limited (Formerly China Shandong Hi-Speed Financial Group Limited) (412)	2	12,000	0.00%	3,000	0.00%	-	-	-	-
Alliance International Education Leasing Holdings Limited (Formerly International Alliance Financing Leasing Company Limited) (1563)	3	27,566,336	1.84%	28,091,336	1.66%	91	141	48	2.24%

Name/(Stock Code)		Number of	Percentage of	Number of	Percentage of	Fair value	Fair value	Fair value	Percentage
		shares held	shareholdings	shares held	shareholdings	at 31 March	at 31 March	(losses)/gains	of total assets
	(Notes)	at 31 March	at 31 March	at 31 March	at 31 March	at 31 March	at 31 March	for the Year	of the Group
		2022	2022	2023	2023	2022	2023	2022	at 31 March
					(note 1)	HK\$'million	HK\$'million	HK\$'million	2023
Carnival Group International Limited (996)		3,624,400	0.38%	3,624,400	0.38%	-	-	-	-
Imperial Pacific International Holdings Limited (1076)	4	203,100,000	1.91%	203,100,000	1.91%	13	13	-	0.20%
Far East Holdings International Limited (36)		4,983,000	0.46%	4,983,000	0.46%	1	1	-	0.02%
Beijing Properties (Holdings) Limited (925)		8,140,000	0.12%	8,140,000	0.12%	1	1	-	0.02%
Virtual Mind Holding Company Limited (1520)	5	283,994,000	15.86%	283,994,000	14.24%	82	59	(23)	0.94%
Bank of Qingdao Company Limited (3866)	6	13,467,500	0.23%	13,108,000	0.23%	51	33	(17)	0.52%
Wealthking Investments Limited (1140)	7	27,900,000	0.69%	29,880,000	0.28%	17	10	(7)	0.16%
Grand Ocean Advanced Resources Company Limited (65)	8	68,600,000	4.56%	60,000,000	3.99%	12	19	11	0.30%
IBO Technology Company Limited (2708)		1,120,000	0.19%	1,120,000	0.17%	3	2	(3)	0.03%
DTXS Silk Road Investment Holdings Company Limited (620)		1,732,000	0.26%	-	-	3	-	(2)	0.00%
Power Financial Group Limited (397)		8,000,000	0.29%	8,000,000	0.29%	1	1	-	0.02%
HG Semiconductor Limited (6908)		-	-	1,500,000	0.26%	-	3	(8)	0.05%
Asia Energy Logistics Group Limited (351)	9	-	-	30,650,000	1.53%	-	7	(5)	0.11%

Name/(Stock Code)		Number of	Percentage of	Number of	Percentage of	Fair value	Fair value	Fair value	Percentage
		shares held	shareholdings	shares held	shareholdings	at 31 March	at 31 March	(losses)/gains	of total assets
	(Notes)	at 31 March	at 31 March	at 31 March	at 31 March	at 31 March	at 31 March	for the Year	of the Group
		2022	2022	2023	2023	2022	2023	HK\$'million	at 31 March
						HK\$'million	HK\$'million	HK\$'million	2023
China Dili Group (1387)		-	-	80,000	0.00%	-	-	-	0.00%
China Apex Group Limited (2011)		-	-	-	-	-	-	(2)	0.00%
HT Riverwood Multi-Growth Fund	10	N/A	N/A	N/A	N/A	129	25	(26)	0.40%
Atlantis China Fund	11	N/A	N/A	N/A	N/A	23	15	(8)	0.24%
Riverwood Umbrella Fund		N/A	N/A	N/A	N/A	12	7	(5)	0.11%
Tisé Equity SP-1	12	N/A	N/A	N/A	N/A	59	29	(30)	0.46%
Finance Lease Investment SP		N/A	N/A	N/A	N/A	-	31	-	0.49%
Unlisted debt instrument		N/A	N/A	N/A	N/A	20	15	(4)	0.24%
Convertible note receivable		N/A	N/A	N/A	N/A	4	3	(1)	0.05%
						<u>522</u>	<u>415</u>	<u>(82)</u>	<u>6.60%</u>

Notes:

1. The percentage of shareholdings is calculated with reference to the monthly return of equity issuer on movements in securities for the month ended 31 March 2023 of the issuers publicly available on the website of the Stock Exchange.
2. China Shandong Hi-Speed Financial Group Limited changed its name to Shandong Hi-Speed Holdings Group Limited with effective from 15 July 2022. And there was a share consolidation for 4 old shares into 1 new share will effective from 29 July 2022.

As at 31 March 2022, the Company held 12,000 shares of Shandong HiSpeed Holdings Group Limited (formerly China Shandong Hi-Speed Financial Group Limited) and the same shares are consolidated into 3,000 new shares on 29 July 2022.

3. Alliance International Education Leasing Holdings Limited (Formerly International Alliance Financing Leasing Company Limited) (“**Alliance International**”) changed its name on 14 February 2023 and were principally engaged in offering finance lease service and provide higher education services.

Pursuant to Alliance International’s annual report for the year ended 31 December 2022, Alliance International recorded revenue of approximately RMB369 million and total comprehensive income of approximately RMB372 million.

The Group had approximately 27.5 million shares of Alliance International as at 31 March 2022, and acquire approximately 0.5 million shares in the Year. And held approximately 28 million shares at 31 March 2023.

4. Imperial Pacific International Holdings Limited (“**Imperial Pacific**”) and its subsidiaries (collectively “**Imperial Pacific Group**”) were principally engaged in the gaming and resort business, including the development of an integrated resort on the Island of Saipan, Commonwealth of the Northern Mariana Islands.

Pursuant to Imperial Pacific Group’s annual report for the year ended 31 December 2021, Imperial Pacific Group recorded revenue of nil and total comprehensive loss of approximately HK\$1,087 million.

The Group held approximately 203 million shares as at 31 March 2022 and 2023.

5. Virtual Mind Holding Company Limited (“**Virtual Mind**”) and its subsidiaries (collectively “**Virtual Mind Group**”) were principally engaged in the design, manufacturing and trading of apparels and provision of money lending services and sale of trendy and cultural products.

Pursuant to Virtual Mind Group’s annual report for the year ended 31 December 2022, Virtual Mind Group recorded revenue of approximately HK\$90 million and total comprehensive loss of approximately HK\$68 million.

The Group held approximately 284 million shares as at 31 March 2022 and 2023.

6. Bank of Qingdao Company Limited (“**Bank of Qingdao**”) and its subsidiaries (collectively “**Bank of Qingdao Group**”) were principally engaged in the provision of corporate and personal deposits, loans and advances, settlement, financial market business, financial leasing, wealth management and other services.

Pursuant to Bank of Qingdao annual report for the year ended 31 December 2022, Bank of Qingdao Group recorded operating income of approximately RMB11,649 million and total comprehensive income of approximately RMB2,504 million.

The Group had approximately 13.5 million shares of Bank of Qingdao Group as at 31 March 2022 and disposed of approximately 0.4 million shares during the Year.

7. Wealthking Investments Limited (“**Wealthking**”) and its subsidiaries (collectively “**Wealthking Group**”) has a principal investment objective to achieve earnings in the form of medium to long term capital appreciation through investing in a diversified portfolio of global investments in listed and unlisted enterprises.

Pursuant to Wealthking Group’s result announcement for the year ended 31 March 2023, Wealthking Group recorded revenue of approximately HK\$192 million and total comprehensive income of approximately HK\$27 million.

The Group had approximately 28 million shares of Wealthking as at 31 March 2022 and acquire approximately 2 million shares during the Year.

8. Grand Ocean Advances Resources Company Limited (“**Grand Ocean**”) and its subsidiaries (collectively “**Grand Ocean Group**”) has a principal activities of production and sale of coal.

Pursuant to Grand Ocean Group’s Annual Report for the year ended 31 December 2022, Grand Ocean Group recorded revenue of approximately HK\$191 million and total comprehensive income of approximately HK\$14 million.

The Group had approximately 69 million shares of Grand Ocean as at 31 March 2022 and disposed approximately 9 million shares during the Year.

9. Asia Energy Logistics Group Limited (“**Asia Energy**”) and its subsidiaries (collectively “**Asia Energy Group**”) has a principal activities of shipping and logistics and telecommunication related business.

Pursuant to Asia Energy Group’s Annual Report for the year ended 31 December 2022, Asia Energy Group recorded revenue of approximately HK\$106 million and total comprehensive loss of approximately HK\$59 million.

The Group acquired approximately 31 million shares of Asia Energy during the Year.

10. HT Riverwood Multi-Growth Fund (formerly known as Riverwood MultiGrowth Fund) (“**Riverwood**”) mainly invests in listed equities of companies located in the Greater China Region (which includes Mainland China, Hong Kong, Macau and Taiwan) or deriving income and/or assets from the Greater China Region. Riverwood may invest in Exchange-Traded Funds (ETFs), U.S. Treasury securities and derivative products.
11. Atlantis China Fund (the “**Atlantis Fund**”) may invest in a wide range of listed securities issued by listed companies established in or whose principal place of business is located in the People’s Republic of China (“**PRC**”) and Hong Kong, including but not limited to listed equities, preferred stocks, convertible securities, notes and other financial products. Atlantis Fund may hold ancillary liquid assets, denominated principally in Hong Kong Dollars, Renminbi and United States Dollars, including cash deposits and money market instruments.
12. Tisé Equity SP-1 is a segregate portfolio of Tisé Opportunities SPC, an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands in March 2021, with an investment objective to provide its investors with long-term capital appreciation.

The Group had various securities in its investment portfolio such as listed equity securities, unlisted equity securities, unlisted funds, unlisted debts, etc. A fair value loss of approximately HK\$82 million was recorded during the Year (2022: fair value loss of approximately HK\$510 million).

During the Year, in relation to fair value loss in FVTPL of approximately HK\$82 million. A total of HK\$30 million was related to investment in Tisé Opportunities SPC.

Impairment losses intangible assets

During the Year, the Group reversed impairment of approximately HK\$13 million (2022: impairment reversal of approximately HK\$2 million) on certain intangible assets as a result of reversal of impairment loss recognised in respective cash-generating units.

Fair value loss on investment properties

During the Year, a fair value loss of approximately HK\$19 million (2022: gain of approximately HK\$85 million) was recognised for property investment of the Group.

Provision for expected credit losses on financial assets

During the Year, the Group reversed provision for expected credit losses on financial assets of approximately HK\$35 million (2022: allowance reversal of approximately HK\$9 million). The reversal of provision was mainly attributable to the settlement of loan receivables received during the year. The Group has engaged an independent professional valuer for assessing the allowance for expected credit losses on financial assets.

Administrative expenses

During the Year, the administrative expenses were approximately HK\$123 million (2022: approximately HK\$146 million), representing a decrease of approximately 16% as compared with the year ended 31 March 2022 (the “**Previous Year**”). Among the administrative expenses incurred during the Year, approximately HK\$16 million (2022: approximately HK\$24 million) was related to depreciation and non-cash in nature; while the remaining expenses of approximately HK\$51 million (2022: approximately HK\$58 million) were mainly related to staff costs. The decrease in administrative expenses was mainly attributable to effective implementation in cost-saving plans.

Share of results of associates

During the Year, the share of losses of associates of approximately HK\$131 million (2022: approximately HK\$44 million).

Share-based payment expenses

The expense of approximately HK\$3 million (2022: approximately HK\$7 million) was related to the share awards and emolument shares granted to certain directors and employees.

Finance costs

During the Year, the finance costs were approximately HK\$129 million (2022: approximately HK\$159 million), representing a decrease of approximately HK\$30 million as compared with the Previous Year. The decrease was mainly attributable to (i) the reduction in interest expenses of approximately HK\$15 million arising from corporate note payables and (ii) additional interest expenses of approximately HK\$2 million arising from the increase in bank and other borrowings.

Taxation

During the Year, the net income tax credit was approximately HK\$5 million (2022: income tax expense of approximately HK\$41 million). The decrease in the amount was mainly attributable to the deferred tax credit of approximately HK\$4 million on capital gain tax in relation to the investment properties in the UK.

Fair value losses on financial assets at fair value through other comprehensive income (“FVTOCI”), net

The details of the listed securities investments and the net fair value losses recognised during the Year are set out below:

Name	Note	Percentage of	Percentage of	Fair value	Fair value	Fair value	Percentage
		shareholdings	shareholdings	at 31 March	at 31 March	loss for	of total assets
		at 31 March	at 31 March	at 31 March	at 31 March	the Year	of the Group
		2022	2023	2022	2023	HK\$'million	at 31 March
				HK\$'million	HK\$'million	HK\$'million	2023
Goodwill International (Holdings) Limited	1	7.54%	7.54%	5	3	(2)	0.05%
Co-Lead Holdings Limited	2	1.05%	1.04%	24	15	(9)	0.24%
Quan Yu Tai Investment Company Limited	3	15%	15%	373	287	(86)	4.54%
Oshidori International Holdings Limited (622)	4	1.27%	1.27%	39	20	(19)	0.32%
China Pearl Global Limited	5	-	10.00%	-	425	-	6.74%
Tonsin Petrochemical Investment Ltd	6	-	16.67%	-	41	(9)	0.65%
Empire Victory Hong Kong Limited	7	-	4.10%	-	10	(2)	0.16%
				441	801	(127)	12.70%
				441	801	(127)	12.70%

Notes:

1. Goodwill International (Holdings) Limited (“**Goodwill Int’l**”) invested in a number of property investment projects in Hong Kong and the PRC. The properties would be sold to market upon completion of each projects, and investors (including Goodwill Int’l) would receive dividend.
2. Co-lead Holdings Limited is principally engaged in trading of securities, provision of finance and holding of investments in financial services industry.
3. Quan Yu Tai Investment Company Limited holds 90% equity interest in He Ying Tung Investments Company Limited (“**He Ying Tung**”). He Ying Tung, through its various indirect wholly-owned or non-wholly owned subsidiaries, is principally engaged in property development in the PRC. He Ying Tung principally has 3 property projects under development located in the municipalities of Changsha, Chenzhou and Hengyang of Hunan Province, the PRC, mainly consisting of large-scale residential complex projects and integrated commercial complex projects, as well as apartments, offices, shopping arcades, cinemas and other supporting facilities.
4. Oshidori International Holdings Limited (“**Oshidori**”) principally engages in investment holdings, tactical and/or strategic investment, and the provisions of (i) securities brokerage services, (ii) margin financing services, (iii) placing and underwriting services, (iv) corporate finance advisory services, (iv) investment advisory and asset management services, and (vi) credit and lending services. Pursuant to Oshidori’s annual report for the year ended 31 December 2022, Oshidori recorded revenue of approximately HK\$109 million and total comprehensive loss of approximately HK\$483 million.

The Group held 77,500,000 shares of Oshidori as at 31 March 2022 and 2023.

5. China Pearl Global Limited (“**CPG**”) through its wholly owned subsidiary hold a shopping mall in the Quanzhou, Fujian Province, the People’s Republic of China with approximately 97,000 square meters (available lease out area over 65,000 square meters) and 1,089 car parks, and it lease out the complex to lessor and provides property management services to the shopping mall.

The Group acquired 10% of CPG during the Year at a consideration of HK\$425 million and completion took place on 7 November 2022.

6. Tonsin Petrochemical Investment Limited principally engages in the development of EcoPark in South-East Asia which focus on waste management and recycling industry with advanced technologies and value-add processes.
7. Empire Victory Hong Kong Limited principally engages in the provision of trading in petroleum and aluminum products.

Liquidity, financial resources and capital structure

As at 31 March 2023, the Group's current assets and current liabilities were approximately HK\$2,297 million (31 March 2022: approximately HK\$2,266 million) and HK\$2,855 million (31 March 2022: approximately HK\$2,451 million) respectively.

The Group has established a treasury policy with the objective of lowering cost of funds. Therefore, funding for all its operations have been centrally reviewed and monitored at the Group level. To manage the Group's exposure to fluctuations in interest rates on project, appropriate funding policies will be applied including the use of bank and other borrowings, corporate note payables, convertible note payables and issue of placement shares. The management will continue its efforts in obtaining the most privileged rates and favourable terms to the Group for its financing.

Gearing ratio and indebtedness

The Group monitors its capital structure based on the gearing ratio. This ratio is calculated as net debts divided by total capital. Total capital is calculated as "equity" as shown in the consolidated statement of financial position plus net debts. The capital structure (including its gearing ratio) as at 31 March 2022 and 31 March 2021 was as follows:

	31 March 2023 <i>HK\$'million</i> (audited)	31 March 2022 <i>HK\$'million</i> (audited)
Bank and other borrowings	1,743	1,922
Corporate note payables		
– at amortised cost	572	430
– at FVTPL	578	629
Total borrowings	2,893	2,981
Less: cash and cash equivalents pledged bank deposits	(187) (30)	(195) (21)
Net debts	2,676	2,765
Total equity	2,575	2,827
Total capital	5,241	5,592
Gearing ratio	51%	49%

As at 31 March 2023, the maturity and currency profile for the Group's bank and other borrowings and corporate note payables are set out as follows:

	Within 1 year <i>HK\$'million</i>	2nd year <i>HK\$'million</i>	3–5 years <i>HK\$'million</i>	Total <i>HK\$'million</i>
GBP	910	–	–	910
US\$	712	–	–	712
HK\$	515	159	19	693
	<u>2,137</u>	<u>159</u>	<u>19</u>	<u>2,315</u>

As at 31 March 2023, approximately 99% of the Group's borrowings are secured by (1) investment properties; (2) corporate note receivables; (3) property, plant and equipment; (4) financial assets; and (5) bank deposits.

The borrowings with aggregate amounts of approximately HK\$1,092 million were carried at fixed interest rates, approximately HK\$651 million were carried at floating interest rates.

As at 31 March 2023, cash and cash equivalents and pledged bank deposits were denominated in the following currencies:

	<i>HK\$'million</i>
HK\$	117
GBP	17
RMB	30
US\$	41
JPY	11
EUR	1
	<u>217</u>

Interest rate risk

The Group's pledged bank deposits and finance lease receivables bear fixed interest rates. The Group's cash at bank balances bear floating interest rates. The Group also has borrowings, obligation under finance leases. Exposure to interest rate risk exists on those balances subject to floating interest rate when there are unexpected adverse interest rate movements. The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures to significant interest rate movements and rates are appropriately fixed when necessary.

Currency risk

The Group mainly operates in Hong Kong with most of the transactions denominated and settled in HK\$, US\$ and GBP. The Group's exposure to foreign currency risk primarily arises from certain financial instruments including trade receivables, bank balances and cash, trade payables, borrowings and obligation under finance leases which are denominated in US\$ and EUR. The Group does not adopt any hedging strategy in the long run but the management continuously monitors the foreign exchange risk exposure and might enter into foreign exchange forward contracts on a case-by-case basis. The Group has not used any hedging contracts to engage in speculative activities.

Credit risk and liquidity risk

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements.

Risk management

The Group has established and maintained sufficient risk management procedures to identify and control various types of risk within the organisation and the external environment with active management participation and effective internal control procedures in the best interest of the Group and its shareholders.

Major post-balance sheet date events

1. On 13 June 2023, True well Limited, an indirect non-wholly owned subsidiary of the Company, executed an order with Shanghai Commercial Bank for a bond purchase at the consideration of HK\$250,848,000.
2. On 26 June 2023, Hao Tian Media & Culture Company Limited, an indirect wholly owned subsidiary of the Company, executed an agreement for the disposal of 49% equity interest in Grand Peaceful Global Limited at a consideration of HK\$2 million.
3. On 26 June 2023, Victor Ocean Developments Limited, an indirect non-wholly owned subsidiary of the Company, executed an agreement for the disposal of 49% equity interest in Lion Run Holdings Limited at a consideration of HK\$1 million.
4. On 26 June 2023, Hao Tian Media & Culture Company Limited, an indirect wholly owned subsidiary of the Company, executed an agreement for the disposal of 50% equity interest in Success View Global Limited at a consideration of HK\$2 million.

Contingent liabilities

As at 31 March 2023 and 2022, the Group had no material contingent liabilities.

Employees and remuneration policy

As at 31 March 2023, the Group had 155 staffs (31 March 2022: 166). The Group generally recruits its employees from the open market or by referral and enters into employment contracts with its employees. The Group offers attractive remuneration packages to the employees. In addition to salaries, the employees would be entitled to bonuses subject to the Company's and employees' performance. The Group provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for the eligible employees. The Group also adopted a share option scheme and share award scheme.

The operation staff consists of experienced machinery operators and mechanics. While such employees are highly demanded in the market, the Group manages to maintain a relatively stable workforce by continuous recruitment from the market or through referrals. New employees are required to attend induction courses to ensure that they are equipped with the necessary skills and knowledge to perform their duties. In order to promote overall efficiency, the Group also offers technical trainings to existing employees on the operation of more advanced construction machinery from time to time. Selected operation staff are required to attend external trainings which are conducted by the manufacturers of the construction machines to acquire up-to-date technical skills and knowledge on the products of the Group.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend to the shareholders of the Company for the Year (2022: nil).

MATERIAL ACQUISITIONS AND DISPOSALS DURING THE YEAR

1. On 11 May 2022, Victory Bright Limited (the “**Vendor**”) and Alcott Global Limited (the “**Target Company**”), both are indirect non-wholly owned subsidiary of the Company, and Glaring Sand Holdings Limited (the “**Purchaser**”) entered into a sale and purchase agreement, pursuant to which the Vendor conditionally agreed to sell 15 issued shares of the Target Company, representing 15% of the entire issued share capital of the Target Company at a consideration of US\$20 million (equivalent to approximately HK\$157 million). The transaction was completed on 16 May 2022.

The major asset of the Target Company is 22% of the issued share capital of CESIZ (Cambodia) Co., Ltd. a company incorporated in Cambodia with limited liability which is principally engaged in investment in urban complex development project. It has obtained approval from the Council of Ministers to establish a special economic zone at Koh Kong Province, Cambodia.

2. The Company issued fixed coupon notes with principal amount of HK\$370 million (the “**Fixed Coupon Notes**”) in June 2022. The Fixed Coupon Notes is due in September 2023.
3. On 22 June 2022, True Well Limited, an indirect non-wholly owned subsidiary of the Company, executed an order with Shanghai Commercial Bank for a bond purchase at the consideration of approximately US\$45 million (equivalent to approximately HK\$355 million).
4. On 23 June 2022, Victor Ocean Developments Limited, an indirect non-wholly owned subsidiary of the Company, executed an agreement for the disposal of 49% equity interest in Triple Blessing International Limited an associated of the Group at a consideration of HK\$44 million.
5. On 19 July 2022, Glory Century Limited, an indirect non-wholly owned subsidiary of the Company, received a statement confirming that the redemption of 126,068.186 Participating Shares in HT Riverwood Multi-Growth Fund (formerly Riverwood Multi-Growth Fund) at the aggregate redemption price of approximately US\$5.8 million (equivalent to approximately HK\$45 million) on 4 July 2022.
6. On 28 October 2022, Novel Advice Limited, an indirect non-wholly-owned subsidiary of the Company, and Leading Partner Group Limited, a direct wholly-owned subsidiary of the Company, executed an agreement for the acquisition of 6% and 4% equity interest in China Pearl Global Limited, at a consideration of HK\$255 million and HK\$170 million, respectively. And the acquisition was completed on 7 November 2022.

Save as disclosed, the Group had not made any other material acquisition or disposal of subsidiaries and associates during the Year.

BUSINESS PROSPECTS

The past year was full of opportunities and challenges. The Russia-Ukraine War, heightened geo-political tension, high global inflation and interest rate is affecting the pace of global economic recovery and adds uncertainties to the financial market. However, the Group implements prudent business strategies to establish a diversified business portfolio that can survive the uncertain market conditions while exploring high-quality asset investment opportunities to explore the growth potential of profit and capital value for shareholders and investors of the Company.

Looking ahead, the Group will remain cautious and sensibly uphold its risk management policies, strength its capital management and implement stringent cost control measures to uphold its profitability during downturn of economy.

Money lending and financial services business

The Group will continue to expand the clients base and establish a strong track record in order to strengthen the businesses of corporate financial advisory services, asset management services and streamline the client base of money lending services in the coming future. For the securities brokerage services business, the Group will explore the involvement in the share placement activities to enhance its revenue stream.

Property development business

Located in the Indo-China Peninsula, Cambodia is an important stop on the ancient Maritime Silk Road and an important location for China to promote the “One Belt, One Road” construction in the 21st century. Now Cambodia is also preparing an economic transformation, with many business opportunities emerging. Meanwhile, Cambodia has a decent investment environment and the market is highly liberalised and internationalised, attracting the attention and injection of global capital. While taking part in the development potential of the land development project, the Group is also exploring more business opportunities to invest in more business sectors in Cambodia and to share the development dividend of this high growing emerging market in the future.

At the same time, Malaysia is one of the most popular countries in Asia. In recent years, Malaysia’s GDP has continued to rise, which proves that Malaysia has strong investment potential. The Group is also deploying and looking for local high-quality projects, following the layout along the “One Belt, One Road” regions. Looking forward, the Group remains confident in its existing businesses and will continue to monitor the performance in order to maximise the returns to its shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining sound and well-established corporate governance practices and procedures that are consistent with the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 to the Listing Rules. The corporate governance principles of the Company emphasise on a quality board of directors, sound internal control, transparency and accountability to all shareholders of the Company.

The Company has applied the principles and complied with all relevant code provisions of the CG Code throughout the Year, save and except Code Provisions C.2.1 and the former Code Provision A.5.1:

- (i) under code provision C.2.1 of the CG Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. The Company has neither appointed a board member as the chairman of the Board nor appointed a chief executive officer. Having considered the business operation of the Group at the material time, it is believed that the Board, which consists of experienced professionals, can function effectively as a whole, and the executive Directors along with other members of senior management of the Company are effective in overseeing the day-to-day operation of the Company under the strong corporate governance structure in place; and
- (ii) under the former code provision A.5.1 of the CG Code, the nomination committee should be chaired by an independent non-executive director. The nomination committee of the Company (the “**Nomination Committee**”) was chaired by Dr. Zhiliang Ou, an executive Director. Having reviewed the structure and roles of the Nomination Committee and regard to the implementation of new Listing Rules, with effect from 29 December 2021, Dr. Zhiliang Ou has ceased to be the chairman of the Nomination Committee and Mr. Mak Yiu Tong, an independent non-executive Director, has been appointed as the chairman of the Nomination Committee.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its own code of conduct for Directors’ securities transactions. The Company has made specific enquiry to all Directors and all Directors confirmed that they have fully complied with the Model Code for the Year.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

A subsidiary of the Company purchased a total of 52,980,000 shares of the Company from the market at an aggregate consideration of approximately HK\$9 million during the Year. The related weighted average price at the time of purchase was HK\$0.168 per share.

The Company repurchased a total of 5,040,000 of shares on the Stock Exchange at an aggregate consideration of approximately HK\$0.44 million on 28 February 2022 and 1 March 2022. All the repurchased shares were subsequently cancelled on 26 August 2022. The repurchases were made for the benefit of the Company and its shares as a whole with a view to enhancing the net assets value per share and/or earnings per share.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year.

AUDIT COMMITTEE

The Company established an audit committee on 16 May 2006 with reference to "A Guide for the Formation of an audit committee" published by the Hong Kong Institute of Certified Public Accountants. The terms of reference of the audit committee are consistent with the code provisions as set out in the CG Code and are available on the Company's website. The audit committee has reviewed the audited consolidated financial statements for the Year and this announcement of the Company.

SCOPE OF WORK OF THE AUDITOR

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 as set out in this announcement have been agreed by the Group's auditor to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by the auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the auditor on this announcement.

PUBLICATION OF THIS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of the Company (www.acesogroup.hk.com) and the Stock Exchange (www.hkex.com.hk). The 2022/23 annual report of the Company containing all information required by the Listing Rules will be despatched to shareholders of the Company and available on the same websites in due course.

APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to the management team and staff for their hard work and contributions, and to our shareholders, investors and business partners for their trust and support.

By order of the Board of
Aceso Life Science Group Limited
Fok Chi Tak
Executive Director

Hong Kong, 28 June 2023

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Xu Haiying, Dr. Zhiliang Ou, J.P. (Australia) and Mr. Fok Chi Tak; and three independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Lam Kwan Sing and Mr. Mak Yiu Tong.