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金石資本集團有限公司
GOLDSTONE CAPITAL GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock code: 1160)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Goldstone Capital Group Limited (the “**Company**”) is pleased to announce that the audited results of the Company for the year ended 31 March 2023 (the “**Year**”) together with the comparative figures for the year ended 31 March 2022 are as follows:

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

| | <i>NOTE</i> | 2023 HK\$’000 | 2022 HK\$’000 |
|--|-------------|--------------------------------|-------------------|
| Net investment gain | 4 | 48 | 474 |
| Other income, net | 5 | 123 | 1,216 |
| General and administrative expenses | | <u>(10,332)</u> | <u>(7,590)</u> |
| Loss from operations | | (10,161) | (5,900) |
| Finance costs | 6(a) | <u>(11)</u> | <u>(135)</u> |
| Loss before taxation | 6 | (10,172) | (6,035) |
| Income tax | 7 | <u>–</u> | <u>–</u> |
| Loss for the year | | (10,172) | (6,035) |
| Other comprehensive income for the year | | <u>–</u> | <u>–</u> |
| Total comprehensive expense for the year | | <u>(10,172)</u> | <u>(6,035)</u> |
| Loss and total comprehensive expense for the year attributable to: | | | |
| Equity shareholders of the Company | | <u>(10,172)</u> | <u>(6,035)</u> |
| Loss per share | 8 | | |
| – Basic | | <u>(HK\$0.04)</u> | <u>(HK\$0.03)</u> |
| – Diluted | | <u>(HK\$0.04)</u> | <u>(HK\$0.03)</u> |

STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

| | | 2023 | 2022 |
|---|-------------|-----------------|-----------------|
| | <i>NOTE</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Non-current asset | | | |
| Plant and equipment | | 668 | 7 |
| Current assets | | | |
| Financial assets at fair value through profit or loss | 9 | 6,610 | – |
| Deposits and prepayments | | 741 | 453 |
| Cash and cash equivalents | | 21,566 | 40,091 |
| Total current assets | | 28,917 | 40,544 |
| Current liabilities | | | |
| Accruals and other payables | | 3,308 | 4,113 |
| Loans from a shareholder | | 4,021 | 4,010 |
| Total current liabilities | | 7,329 | 8,123 |
| Net current assets | | 21,588 | 32,421 |
| Net assets | | 22,256 | 32,428 |
| Capital and reserves | | | |
| Share capital | | 23,727 | 23,727 |
| Reserves | | (1,471) | 8,701 |
| Total equity | | 22,256 | 32,428 |
| Net asset value per share | | HK\$0.09 | HK\$0.14 |

NOTES:

1. GENERAL INFORMATION

Goldstone Capital Group Limited (the “**Company**”) is a limited liability company incorporated in Bermuda on 15 April 2003 as an exempted company and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is Room 1801A, 18/F, Bank of America Tower, 12 Harcourt Road, Admiralty, Hong Kong.

The Company is principally engaged in investments in listed and unlisted enterprises.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Significant accounting policies adopted by the Company are disclosed below.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Company. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Company for the current accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

(c) **Changes in accounting policies**

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Company:

- Amendments to HKAS 16, *Property, plant and equipment: Proceeds before intended use*
- Amendments to HKAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract*

The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKAS 16, Property, plant and equipment: Proceeds before intended use

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit and loss. The amendments do not have a material impact on these financial statements as the Company does not sell items produced before an item of property, plant and equipment is available for use.

Amendments to HKAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. Previously, the Company included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Company has applied the new accounting policy to contracts for which it has not yet fulfilled all its obligations at 1 April 2022, and has concluded that none of them is onerous.

None of these developments have had a material effect on how the Company's results and financial position for the current or prior periods have been prepared or presented.

3. SEGMENT REPORTING

The Company is principally engaged in investments in listed and unlisted enterprises.

No segment information is presented in respect of the Company's business and geographical segments as all of the income, contribution to operating results, assets and liabilities of the Company are attributable to investment activities, which are carried out or originated principally in Hong Kong.

4. NET INVESTMENT GAIN

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Net realised gain from dissolution of financial asset at fair value through profit or loss | – | 474 |
| Fair value change on financial assets at fair value through profit or loss | <u>48</u> | <u>–</u> |
| | <u><u>48</u></u> | <u><u>474</u></u> |

5. OTHER INCOME, NET

| | 2023 HK\$'000 | 2022 HK\$'000 |
|--|------------------|------------------|
| Bank interest income | 32 | – |
| Government subsidies (<i>see Note below</i>) | 72 | – |
| Net exchange gain | 20 | 2 |
| Loss on disposal of plant and equipment | (1) | – |
| Sundry income | – | 1,214 |
| | <u>123</u> | <u>1,216</u> |

Note: Being the subsidies received from the COVID-19 Anti-epidemic Fund under the Employment Support Scheme as promulgated by the Government of the Hong Kong Special Administrative Region of the People's Republic of China.

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

| | 2023 HK\$'000 | 2022 HK\$'000 |
|--|------------------|------------------|
| (a) Finance costs | | |
| Interest on loans from a shareholder | 11 | 10 |
| Interest on other borrowing | – | 125 |
| | <u>11</u> | <u>135</u> |
| (b) Staff costs (including directors' emoluments) | | |
| Salaries and other benefits | 4,676 | 3,257 |
| Mandatory provident fund contributions (<i>see Note below</i>) | 68 | 36 |
| | <u>4,744</u> | <u>3,293</u> |
| (c) Other items | | |
| Depreciation charge | | |
| – owned plant and equipment | 338 | 11 |
| – right-of-use assets | – | 83 |
| Expense related to short-term leases | 728 | 358 |
| Auditors' remuneration | | |
| – audit services | 310 | 300 |
| Investment manager fee | 1,620 | 1,620 |
| Legal and professional fees | 1,131 | 1,070 |
| | <u>1,131</u> | <u>1,070</u> |

Note: The Company operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately, there is no forfeited contributions that may be used by the Company to reduce the existing level of contribution.

7. INCOME TAX

- (a) No provision for Hong Kong Profits Tax has been made in these financial statements as the Company has no estimated assessable profits derived from its operation in Hong Kong during the year ended 31 March 2023 (for the year ended 31 March 2022: Nil).
- (b) No provision for overseas tax has been made in these financial statements as the Company has no profit derived from overseas.
- (c) Reconciliation between tax expense and accounting loss at applicable tax rate:

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Loss before taxation | <u>(10,172)</u> | <u>(6,035)</u> |
| Notional tax on loss before taxation, calculated at the applicable rate of 16.5% (for the year ended 31 March 2022: 16.5%) | (1,678) | (996) |
| Tax effect of non-taxable income | (29) | (279) |
| Tax effect of non-deductible expenses | 1,660 | 1,273 |
| Tax effect of temporary difference not recognised | <u>47</u> | <u>2</u> |
| Actual tax expense | <u>–</u> | <u>–</u> |

- (d) At 31 March 2023, the Company has not recognised deferred tax assets in respect of cumulative tax losses of approximately HK\$52,581,000 (31 March 2022: approximately HK\$52,581,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction. The tax losses do not expire under current tax legislation and subject to the final assessment by the tax authority in respect of jurisdiction where the tax losses arising from.

The Company had no other significant potential deferred tax assets and liabilities at 31 March 2023 and 2022.

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share attributable to equity shareholders of the Company is based on the following data:

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Loss attributable to ordinary equity shareholders of the Company for the purpose of computing basic loss per share | <u>10,172</u> | <u>6,035</u> |
| | Number of shares | |
| | 2023 '000 | 2022 '000 |
| Weighted average number of ordinary shares for the purpose of computing basic loss per share | <u>237,271</u> | <u>197,422</u> |

The weighted average number of ordinary shares used for the purpose of calculating basic loss per share for the year ended 31 March 2022 was included the bonus element in rights issue during the year ended 31 March 2022.

(b) Diluted loss per share

There were no dilutive potential ordinary shares during the years ended 31 March 2023 and 2022, and therefore diluted loss per share is the same as the basic loss per share.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Investments (trading and investment securities) – at fair value | | |
| Treasury Bills of the United States of America (the “U.S.”) (“U.S. Treasury Bills”) | <u>6,610</u> | <u>–</u> |

Particulars of the investments as at 31 March 2023 were as follows:

| Type of investment | Name of issuer | Place of incorporation | Cost HK\$'000 | Market value HK\$'000 | Change in fair value of financial assets at fair value through profit or loss HK\$'000 | Yield per annum % | Maturity date | Interest received/ accrued during the Year HK\$'000 | Approximate percentage of gross assets of the Company % |
|--------------------|---|------------------------|------------------|--------------------------|---|----------------------|---------------|--|--|
| U.S. Treasury Bill | The Department of the Treasury of the U.S. ("U.S. Department of the Treasury") | U.S. | 1,563 | 1,596 | 33 | 2.5 | 31 March 2023 | - | 5.4 |
| U.S. Treasury Bill | U.S. Department of the Treasury | U.S. | 1,573 | 1,572 | (1) | 0.125 | 30 April 2023 | - | 5.3 |
| U.S. Treasury Bill | U.S. Department of the Treasury | U.S. | 3,446 | 3,442 | (4) | 0.125 | 31 May 2023 | - | 11.6 |

Prospects: The Directors are of the view that with the very strong financial position of the U.S. government, U.S. Treasury Bills can provide a steady interest income to investors.

Investment strategy: The Directors consider U.S. Treasury Bills as a lower-risk security. Treasury bills are debt obligations issued by the U.S. Department of the Treasury. Treasury securities are considered one of the safest investments because they are backed by the full faith and credit of the U.S. government. The Company will increase or reduce the holdings on the U.S. Treasury Bills, depending on a number of factors including the investment environment.

10. DIVIDEND

The Directors do not propose any dividend for the Year (for the year ended 31 March 2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

OPERATING RESULTS

For the Year, the Company recorded a loss for the year of approximately HK\$10,172,000 (2022: loss of approximately HK\$6,035,000), representing an increase in loss for the year of approximately HK\$4,137,000 as compared with the year ended 31 March 2022 mainly due to a significant decrease in recognition of net investment gain, a decrease in other income, and an increase in general and administrative expenses incurred for the Year.

Net investment gain of approximately HK\$48,000 was recognised for the Year as compared with the net investment gain of approximately HK\$474,000 recorded in last year. The net investment gain for the Year mainly derived from recognition of fair value change on financial assets at fair value through profit or loss. The general and administrative expenses for the Year amounted to approximately HK\$10,332,000, representing an increase of approximately HK\$2,742,000 as compared with last year, which was mainly due to higher staff costs, rental expense and printing expense incurred for the Year.

BUSINESS REVIEW AND PROSPECTS

The global economy faced uncertainties during the Year. During the Year, to control the spread of COVID-19 and its divergent variants, countries have implemented different COVID-19 prevention measures, including lockdown measures and quarantine policies, leading to supply chain disruptions around the world.

In addition, the ongoing conflict between Russia and Ukraine worsened the supply chain problems, causing an increase in price of commodity, energy and necessities, pushing the inflation rate across the European economies, resulting in high cost of living crisis.

Apart from the above, inflation was persistent in the United States of America (the “**U.S.**”) during the Year and has continued to be one of the critical issues for the U.S. market. In order to slow down the inflation rate, the United States Federal Reserve Board (the “**U.S. Federal Reserve**”) raised interest rates numerous times during the Year. Following the trend of interest rate hikes in the U.S., capital and business markets faced massive challenges, the banking sector also experienced the tightening of financial conditions, leading to collapse of a few regional banks in the U.S..

In Europe, due to lack of confidence, customers and investors of Credit Suisse Group AG considered the safety of their holdings and decided to shift away from the institution. This resulted in a takeover of Credit Suisse Group AG by UBS Group AG. The banking sector stress in the U.S. and Europe added uncertainties to the global economic outlook.

During the Year, the worsened external environment and the tightened financial conditions resulting from the sharp interest rate hikes by the major central banks continued to pose immense pressure on Hong Kong's economic performance. The Hang Seng Index has declined by approximately 15.5% in 2022. According to the statistics published by the Government of Hong Kong, Hong Kong showed a continuous contraction of economy in the fourth quarter of 2022 under the impact of COVID-19. Hong Kong's economy in the fourth quarter of 2022 decreased 4.2% year-on-year, and shrank 3.5% for 2022 as a whole.

Notwithstanding the above, due to increasing vaccination rate, the number of confirmed COVID-19 cases around the world did not increase drastically, many countries relaxed disease prevention measures. Since December 2022, COVID-19 restrictions have been relaxed in the People's Republic of China ("**China**"). With China's COVID-19 response moving into a new phase and policies continuing to be implemented fully and meticulously, work and life are expected to resume back to normal at a faster pace, and the internal drivers of China's economy will gather greater momentum. Following the reopening of borders, there has been a boost in global demand although the tension between China and the U.S. may continue to affect recovery of the economy to a certain extent.

Under the high interest rate and turbulent environment as mentioned above, the Company has been investing cautiously during the Year. We entered into several short-term U.S. Treasury positions for the purposes of earning lower risk returns for the Company. Looking ahead, the Hong Kong economy is expected to show a recovery in 2023. According to the statistics published by the Government of Hong Kong, the Hong Kong economy improved visibly in the first quarter of 2023, led by the strong recovery of inbound tourism and domestic demand. Real GDP resumed year-on-year growth of 2.7%, having contracted by 4.1% in the preceding quarter. Going forward, we shall examine vigilantly on the market situation of Hong Kong and make necessary adjustment and alternation to the investment strategies as and when appropriate.

SIGNIFICANT INVESTMENTS HELD

A brief description of the business or financial information of the investments of the Company is as follows:

| Type of investment | Name of issuer | Place of incorporation | Cost <i>HK\$'000</i> | Market value <i>HK\$'000</i> | Change in fair value of financial assets at fair value through profit or loss <i>HK\$'000</i> | Yield per annum % | Maturity date | Interest received/accrued during the Year <i>HK\$'000</i> | Approximate percentage of gross assets of the Company % |
|--------------------|--|------------------------|-------------------------|---------------------------------|--|----------------------|---------------|--|--|
| U.S. Treasury Bill | The Department of the Treasury of the U.S. (“U.S. Department of the Treasury”) | U.S. | 1,563 | 1,596 | 33 | 2.5 | 31 March 2023 | - | 5.4 |
| U.S. Treasury Bill | U.S. Department of the Treasury | U.S. | 1,573 | 1,572 | (1) | 0.125 | 30 April 2023 | - | 5.3 |
| U.S. Treasury Bill | U.S. Department of the Treasury | U.S. | 3,446 | 3,442 | (4) | 0.125 | 31 May 2023 | - | 11.6 |

Prospects: The Directors are of the view that with the very strong financial position of the U.S. government, U.S. Treasury Bills can provide a steady interest income to investors.

Investment strategy: The Directors consider U.S. Treasury Bills as a lower-risk security. Treasury bills are debt obligations issued by the U.S. Department of the Treasury. Treasury securities are considered one of the safest investments because they are backed by the full faith and credit of the U.S. government. The Company will increase or reduce the holdings on the U.S. Treasury Bills, depending on a number of factors including the investment environment.

Save as disclosed above, the Company did not hold any other significant investment as at 31 March 2023.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company did not have any acquisitions and disposals of subsidiaries, associates and joint ventures during the Year.

FUTURE PLANS RELATING TO MATERIAL INVESTMENT OR CAPITAL ASSET

The Company had not executed any agreement in respect of material investment or capital asset and did not have any other plans relating to material investment or capital asset as at the date of this announcement. Nonetheless, if any potential investment opportunity arises in the coming future, the Company will perform feasibility studies and prepare implementation plans to consider whether it is beneficial to the Company and the Shareholders as a whole. The potential investment opportunities will be funded by internal resources, including the proceeds from the Rights Issue (as defined hereinbelow).

LOANS FROM A CONTROLLING SHAREHOLDER

In October and November 2020, the Company entered into two loan agreements with Renown Future Limited (“**Renown Future**”), a controlling Shareholder (as defined in Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)) of the Company, pursuant to which Renown Future agreed to provide two loans to the Company in the principal amount of up to HK\$2,500,000 and HK\$10,000,000 respectively. The loans did not bear interest and were repayable within one year. As at 31 March 2021, HK\$3,500,000 has been drawn and used as working capital of the Company and the Company has unutilised loan amount of HK\$9,000,000 under the loan agreements with Renown Future.

In April and June 2021, the Company entered into loan extension agreements with Renown Future to extend the maturity dates of these loans to 31 December 2022. The drawdown period of the HK\$9,000,000 unutilised amount of the second loan has also been extended to 31 December 2022. In December 2022, the Company entered into loan extension agreements with Renown Future to extend the maturity dates of these loans to 31 December 2023. The drawdown period of the HK\$8,500,000 unutilised amount of the second loan has also been extended to 31 December 2023. The first loan of principal amount of HK\$2,500,000 shall carry interest at Hong Kong Interbank Offered Rate for an interest period of 12 months after the extension of the loan maturity with effect from 29 April 2021. As at 31 March 2023, loans from Renown Future amounted to approximately HK\$4,021,000, which comprised principal amount of loans drawn of HK\$4,000,000 and accrued interest of approximately HK\$21,000. Save as disclosed above, the other terms and conditions of the loan agreements remained unchanged.

DIVIDEND

The Directors did not recommend the payment of a dividend for the Year (2022: Nil).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2023, the Company had cash and bank balances of approximately HK\$21,566,000 (2022: approximately HK\$40,091,000). The Company had loans from a controlling Shareholder of approximately HK\$4,021,000 (2022: approximately HK\$4,010,000) (comprised principal amount of loans drawn of HK\$4,000,000 (2022: HK\$4,000,000) and accrued interest of approximately HK\$21,000 (2022: approximately HK\$10,000)) as at 31 March 2023 which were repayable on 31 December 2023. Details of the loans from a controlling Shareholder are disclosed in the section headed “Loans from a Controlling Shareholder” above. The gearing ratio of the Company as at 31 March 2023 was approximately 0.1 (2022: approximately 0.1), which was calculated based on the Company’s total borrowings to total assets.

Completion of a rights issue of a total of 64,471,250 rights shares with net proceeds of approximately HK\$41.7 million

On 6 January 2022, the Board proposed a rights issue (the “**Rights Issue**”) on the basis of one rights share of the Company for every two existing ordinary shares of the Company (the “**Shares**”, each a “**Share**”) held on 26 January 2022 at the subscription price (the “**Subscription Price**”) of HK\$0.68 each, by way of Rights Issue which was completed on 28 March 2022. The closing price of the Share was HK\$1.70 per Share on 6 January 2022, being the date on which the Rights Issue was announced.

The Company was of the view that the Rights Issue would enable the Company to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs in contrary to other fund-raising alternatives available to the Company.

On 6 January 2022, the Company also entered into a placing agreement with Gransing Securities Co., Limited (the “**Placing Agent**”), pursuant to which the Placing Agent has conditionally agreed to procure placee(s) (the “**Placee(s)**”), on a best effort basis, to subscribe for the rights Shares that are not subscribed by the qualifying Shareholders of the Company (the “**Qualifying Shareholders**”) under the Rights Issue (the “**Unsubscribed Rights Shares**”) and the rights Share(s) which would otherwise has/have been provisionally allotted to the excluded Shareholder(s) (the Shareholder(s) with registered address(es) outside Hong Kong which was/were not offered the rights Shares) in nil-paid form that has/have not been sold by the Company (the “**ES Unsold Rights Shares**”).

As disclosed in the announcement of the Company dated 28 March 2022, the Company received a total of 14 valid acceptances and applications under the provisional allotment letters in respect of a total of 1,971,250 rights Shares, representing approximately 2.28% of the total number of rights Shares available for subscription under the Rights Issue. As at 5:00 p.m. on Friday, 25 March 2022, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, 62,500,000 Unsubscribed Rights Shares, representing approximately 26.34% of the issued Shares immediately upon completion of the Rights Issue, were successfully placed at the placing price of HK\$0.68 per Share, representing nil premium over the Subscription Price, to independent Placees.

Accordingly, the gross proceeds and the net proceeds (after deducting expenses) raised from the Rights Issue (including the Placing) are approximately HK\$43.8 million and approximately HK\$41.7 million, respectively. On this basis, the net price per rights Share is approximately HK\$0.647 per Share.

On 29 March 2022, 64,471,250 Shares with an aggregate nominal value of HK\$6,447,125 were issued pursuant to the Rights Issue.

Please refer to the prospectus of the Company dated 24 February 2022 (the “**Prospectus**”) and the announcements of the Company dated 6 January 2022, 17 March 2022 and 28 March 2022 for the details of the Rights Issue.

The intended and actual use of proceeds from the Rights Issue up to 31 March 2023 is set out as follows:

| Business objectives as stated in the Prospectus | Intended use of net proceeds from the Rights Issue <i>(HK\$ million)</i> | Actual amount utilised up to 31 March 2023 <i>(HK\$ million)</i> | Remaining unutilised balance as at 31 March 2023 <i>(HK\$ million)</i> | Expected timeline for the unutilised net proceeds |
|--|--|--|--|--|
| Repayment in full of a loan and related interests from a licensed money lender | 5.1 | 5.1 | – | N/A |
| Future investments and business development pursuant to the investment objectives of the Company | 27.2 | 10.0 | 17.2 | by 31 March 2024 |
| General working capital of the Company | 9.4 | 9.4 | – | N/A |
| | 41.7 | 24.5 | 17.2 | |
| | 41.7 | 24.5 | 17.2 | |

The unutilised net proceeds from the Rights Issue as at 31 March 2023, being approximately HK\$17.2 million were deposited with the licensed banks in Hong Kong.

As at the date of this announcement, the Board has no intention to change the planned use of the net proceeds as disclosed in the Prospectus and above. The expected timeline for using the unutilised net proceeds is based on the best estimation of the business market situations made by the Board. It might be subject to changes based on the market conditions. Further announcement(s) and/or disclosure in the Company’s annual report(s) in respect of change in timeline, if any, will be made by the Company in accordance with the requirements of the Listing Rules as and when appropriate to update its Shareholders and potential investors.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The Company held assets and liabilities denominated in Hong Kong Dollars (“**HKD**”) and US Dollars (“**USD**”). The Company’s cash and cash equivalents were denominated in HKD and USD. Accordingly, it is subjected to limited exposure of foreign exchange fluctuation. As it is the Company’s policy to maintain relatively minimal exposure to foreign exchange risks, the Company had not used any derivatives and other instruments for currency exchange hedging purposes.

CHARGE ON COMPANY’S ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2023, there was no charge on the Company’s assets or any significant contingent liabilities (2022: Nil).

COMMITMENTS

The Company had no capital commitment as at 31 March 2023 (2022: Nil).

CAPITAL STRUCTURE

The capital structure of the Company is composed of equity and debt. As at 31 March 2023, the total number of ordinary shares of HK\$0.10 each in the Company in issue was 237,271,250 (2022: 237,271,250).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2023, the Company had 5 employees (2022: 5), including the executive Director. The remuneration paid to the employees of the Company, including the executive Director, during the Year amounted to approximately HK\$3,132,000 (2022: approximately HK\$2,527,000).

The Company’s remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of the individual employees.

The Company operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for those Hong Kong employees who are eligible to participate in the MPF Scheme. The contributions made by the Company for the MPF Scheme are charged to the statement of profit or loss as they become payable in accordance with the relevant rules of the MPF Scheme.

The Company's contributions to the MPF Scheme vest fully and immediately with the employees. Accordingly, (i) during the Year, there was no forfeiture of contributions under the MPF Scheme (2022: Nil); and (ii) there were no forfeited contributions available for the Company to reduce its existing level of contributions to the MPF Scheme as at 31 March 2023 (2022: Nil).

During the Year, the Company did not have any other defined benefit plan for its employees (2022: Nil).

PURCHASE, SALE OR REDEMPTION OF OWN SHARES

Save as disclosed herein, the Company did not purchase, sell or redeem any of its shares during the Year.

CHANGE OF COMPANY NAME AND CHANGE OF STOCK SHORT NAME

During the Year, subsequent to the passing of the special resolution approving the change of company name by the Shareholders at the special general meeting held on 28 June 2022 and the Certificate of Change of Name and the Certificate of Secondary Name were issued by the Registrar of Companies in Bermuda on 4 July 2022, the English name of the Company has been changed from "Youth Champ Financial Group Holdings Limited" to "Goldstone Capital Group Limited" and "金石資本集團有限公司" has been adopted as the secondary name of the Company to replace "優創金融集團控股有限公司". The stock short names of the Company have also been changed from "YOUTH CHAMP" in English and "優創金融" in Chinese to "GOLDSTONE CAP" in English and "金石資本集團" in Chinese with effect from 9:00 a.m. on 19 August 2022. For details, please refer to the announcements of the Company dated 25 May 2022, 28 June 2022 and 16 August 2022, and the circular of the Company dated 6 June 2022.

EVENTS AFTER THE REPORTING PERIOD

Expiration of Investment Management Agreement and change in Director or important executive functions or responsibilities

With effect from 31 May 2023, (i) the investment management agreement (the "**Investment Management Agreement**") dated 29 May 2020 and entered into between the Company and INV Advisory Limited (the "**Investment Manager**") expired; (ii) Ms. Chan Mei Yan ("**Ms. Chan**") resigned as an executive Director, the chairman of the investment committee of the Board (the "**Investment Committee**"), and an authorised representative of the Company (the "**Authorised Representative**") as required under Rule 3.05(2) of the Listing Rules; and (iii) Mr. Lam King, a non-executive Director, has been appointed as an Authorised Representative. For details, please refer to the announcement of the Company dated 1 June 2023.

Save as disclosed, the Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2023 and up to the date of this announcement.

CORPORATE GOVERNANCE

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the best interest of the Company and the Shareholders. The Company has established procedures on corporate governance that comply with the requirements of the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Listing Rules. The Board has reviewed and taken measures to adopt the CG Code as the Company’s code of corporate governance practices. During the Year, the Company has complied with the code provisions under the CG Code.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Company’s statement of financial position, statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in this results announcement have been agreed by the Company’s auditors, Crowe (HK) CPA Limited, to the amounts set out in the Company’s audited financial statements for the Year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Crowe (HK) CPA Limited, on this results announcement.

AUDIT COMMITTEE

The Audit Committee, comprising all three independent non-executive Directors, namely Ms. Wan Yuk Ling (chairman of the audit committee who possesses the appropriate professional qualification or accounting or related financial management expertise), Mr. Hung Hoi Ming Raymond and Mr. Ning Fong, had reviewed with the management of the Company the accounting principles and practices adopted by the Company and discussed the auditing, internal control, risk management and financial reporting matters.

The Audit Committee had reviewed the Company’s audited financial statements for the Year.

The duties of the Audit Committee include reviewing all matters relating to the scope of audit, such as the financial statements, and providing supervision over the Company’s financial reporting procedures and internal control system and risk management systems.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries with all Directors, the Directors confirmed that they had complied with the required standards laid down in the Model Code throughout the Year.

By Order of the Board
Goldstone Capital Group Limited
Huang Bin
Chairman

Hong Kong, 29 June 2023

As at the date of this announcement, the Board comprises Mr. Huang Bin (Chairman), Mr. Chen Huaiyuan, Mr. Lam King and Mr. Xu Lin as non-executive Directors; and Mr. Hung Hoi Ming Raymond, Mr. Ning Fong and Ms. Wan Yuk Ling as independent non-executive Directors.