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## **DOMAINE POWER HOLDINGS LIMITED**

### **域能控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 442)**

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

### **FINANCIAL HIGHLIGHTS**

- Revenue was approximately HK\$185.5 million for the year ended 31 March 2023, representing an increase of approximately 36.9% as compared with the year ended 31 March 2022.
- Gross profit was approximately HK\$3.0 million for the year ended 31 March 2023, representing an increase of approximately HK\$0.6 million or 25.9% as compared with the year ended 31 March 2022.
- Gross profit margin decreased to approximately 1.6% for the year ended 31 March 2023 from approximately 1.8% for the year ended 31 March 2022.
- Loss attributable to owners of the Company was approximately HK\$26.0 million for the year ended 31 March 2023, representing a decrease of approximately HK\$52.2 million or 66.8% compared to the loss attributable to owners of the Company of approximately HK\$78.2 million for the year ended 31 March 2022.
- Basic loss per share amounted to approximately HK\$0.15 for the year ended 31 March 2023, compared to the basic loss per share of approximately HK\$0.45 for the year ended 31 March 2022.
- The Board does not recommend the payment of final dividend for the year ended 31 March 2023.

The board (the “Board”) of directors (the “Directors”) of Domaine Power Holdings Limited (the “Company”) presents the consolidated financial results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2023 (the “Reporting Period”) together with the corresponding figures for the prior year.

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

For the year ended 31 March 2023

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 HK\$'000
<b>REVENUE</b>	3	<b>185,472</b>	135,513
Cost of sales		<u>(182,436)</u>	<u>(133,102)</u>
Gross profit		<b>3,036</b>	2,411
Other income	4	<b>1,041</b>	1,678
Selling expenses		<b>(2,061)</b>	(1,977)
Administrative expenses		<b>(19,251)</b>	(20,187)
(Impairment loss)/reversal of impairment loss on financial assets, net		<b>(1,891)</b>	925
Other gains, net	5	–	2,243
Other losses, net	5	<b>(7,060)</b>	(63,366)
Finance costs	6	<b>(72)</b>	(78)
Share of loss of a joint venture		–	(3)
Impairment loss on a joint venture		<u>–</u>	<u>(88)</u>
<b>LOSS BEFORE TAX</b>	7	<b>(26,258)</b>	(78,442)
Income tax credit/(expense)	8	<u>178</u>	<u>(1)</u>
<b>LOSS FOR THE YEAR</b>		<u><b>(26,080)</b></u>	<u>(78,443)</u>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>			
<i>Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods — Exchange differences on translation of foreign operations</i>		<u>(2,049)</u>	<u>1,084</u>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF TAX</b>		<u><b>(2,049)</b></u>	<u>1,084</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<u><b>(28,129)</b></u>	<u>(77,359)</u>

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 HK\$'000
<b>Loss for the year attributable to:</b>			
Owners of the Company		<b>(25,966)</b>	(78,168)
Non-controlling interests		<u>(114)</u>	<u>(275)</u>
		<b><u>(26,080)</u></b>	<b><u>(78,443)</u></b>
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of the Company		<b>(28,015)</b>	(77,084)
Non-controlling interests		<u>(114)</u>	<u>(275)</u>
		<b><u>(28,129)</u></b>	<b><u>(77,359)</u></b>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
— Basic and diluted	<i>10</i>	<b><u>HK\$(0.15)</u></b>	<b><u>HK\$(0.45)</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>1,463</b>	2,017
Intangible assets		<b>724</b>	1,158
Right-of-use assets		<b>1,223</b>	3,241
Financial assets at fair value through profit or loss		<b>26,185</b>	34,399
Prepayments, deposits and other receivables		<b><u>1,375</u></b>	<u>265</u>
Total non-current assets		<b><u>30,970</u></b>	<u>41,080</u>
<b>CURRENT ASSETS</b>			
Inventories		<b>10,377</b>	2,053
Trade receivables	<i>11</i>	<b>609</b>	–
Prepayments, deposits and other receivables		<b>6,052</b>	679
Cash and bank balances		<b><u>62,648</u></b>	<u>92,833</u>
Total current assets		<b><u>79,686</u></b>	<u>95,565</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables and accruals	<i>12</i>	<b>6,817</b>	4,870
Lease liabilities		<b>734</b>	861
Tax payables		<b><u>360</u></b>	<u>590</u>
Total current liabilities		<b><u>7,911</u></b>	<u>6,321</u>
<b>NET CURRENT ASSETS</b>		<b><u>71,775</u></b>	<u>89,244</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>544</b>	2,244
Deferred tax liabilities		<b><u>106</u></b>	<u>106</u>
Total non-current liabilities		<b><u>650</u></b>	<u>2,350</u>
Net assets		<b><u>102,095</u></b>	<u>127,974</u>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Issued capital	<i>13</i>	<b>863</b>	863
Reserves		<b><u>99,096</u></b>	<u>127,111</u>
		<b>99,959</b>	127,974
Non-controlling interests		<b><u>2,136</u></b>	<u>–</u>
Total equity		<b><u>102,095</u></b>	<u>127,974</u>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

*For the year ended 31 March 2023*

## 1. CORPORATE AND GROUP INFORMATION

Domaine Power Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 6 June 2014. The registered office address of the Company is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and its principal place of business is Unit 2203A, 22/F, Wu Chung House, 213 Queen’s Road East, Wan Chai, Hong Kong. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 11 March 2015 (the “Listing”).

During the year ended 31 March 2023, the Company and its subsidiaries (collectively the “Group”) were principally involved in the manufacture and sale of jewellery products, and the trading of precious metals and raw jewellery materials to customers in Hong Kong and Mainland China.

In the opinion of the directors, the immediate holding company of the Company is Perfect Gain Group Limited, which was incorporated in the British Virgin Islands, and the ultimate controlling shareholder is Dr. So Shu Fai.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### *Basis of consolidation*

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings/accumulated losses, as appropriate, on the same basis as would be required if the Group has directly disposed of the related assets or liabilities.

## 2.2 Changes in accounting policies and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to HKAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to HKAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract</i>
<i>Annual Improvements to HKFRSs 2018–2020</i>	Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

### *Amendments to HKFRS 3*

Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “Conceptual Framework”) issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 April 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.

### *Amendments to HKAS 16*

Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 April 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.

### *Amendments to HKAS 37*

Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 April 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.

*Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41

Details of the amendment that is applicable to the Group are as follows:

HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 April 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

### 3. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue and disaggregated revenue information are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue recognised at a point in time		
— Sales of jewellery products	47,903	34,495
— Sales of luxury watches	—	16,283
— Sales of precious metals and raw jewellery materials	<u>137,569</u>	<u>84,735</u>
	<u><u>185,472</u></u>	<u><u>135,513</u></u>

#### (i) Operating segment

The Group is primarily engaged in the manufacture and sale of jewellery products, trading of precious metals and raw jewellery materials. Management has determined the operating segments based on the reports reviewed by the chief operating decision makers, who have been identified as the executive directors of the Company. Information reported to the Group's chief operating decision makers, for the purposes of resource allocation and performance assessment, focuses on the operating results of the Group as a whole as the Group's resources are integrated. Accordingly, the Group has identified one reportable operating segment and no further analysis thereof is presented.

#### (ii) Geographical segment

##### (a) Revenue from external customers

Information about the Group's revenue by geographical location is presented based on the jurisdiction or country in which the external customer is located.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong	150,158	101,018
Americas	—	31,967
Europe	—	1,925
Mainland China	35,314	—
Others	<u>—</u>	<u>603</u>
	<u><u>185,472</u></u>	<u><u>135,513</u></u>



- (b) *Non-current assets excluding financial assets at fair value through profit or loss and financial assets included in prepayments, deposits and other receivables*

Information about the Group's non-current assets, excluding financial assets at fair value through profit or loss and financial assets included in prepayments, deposits and other receivables, is presented based on the locations of the assets.

	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Hong Kong	3,407	6,392
Mainland China	<u>3</u>	<u>24</u>
	<u><b>3,410</b></u>	<u><b>6,416</b></u>

The Company is domiciled in the Cayman Islands while the Group operates its business in Hong Kong and Mainland China. During the years ended 31 March 2023 and 2022, no revenue was generated from any customer in the Cayman Islands and no assets were located in the Cayman Islands.

**(iii) Information about major customers**

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the year, including sales to a group of entities which are known to be under common control with that customer, is set out below:

	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A	134,482	76,638
Customer B	–	31,967
Customer C	<u>–</u>	<u>16,283</u>

**(iv) Liabilities related to contracts with customers**

*Revenue recognised in relation to contract liabilities*

There was no revenue recognised in the current reporting period relating to carried-forward contract liabilities (2022: Nil).

**(v) Performance obligations**

Information about the Group's performance obligations is summarised below:

*Sales of jewellery products*

The Group's performance obligation is satisfied upon delivery of the products and payment is generally due within 120 days (2022: 120 days) from delivery for major customers.

### *Sales of luxury watches*

The Group did not have any sales of luxury watches for the year ended 31 March 2023. For the year ended 31 March 2022, the performance obligation was satisfied upon delivery of luxury watches and payment was generally due within 60 to 120 days from delivery.

### *Sales of precious metals and raw jewellery materials*

The performance obligation is satisfied upon delivery of the precious metals and raw jewellery materials and payment is generally due within 20 to 120 days (2022: 20 to 120 days) from delivery.

No transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are disclosed as at 31 March 2023 and 2022 because all the remaining performance obligations are a part of contracts that have an original expected duration of one year or less.

## **4. OTHER INCOME**

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Government grants*	<b>281</b>	199
Interest income from bank deposits	<b>694</b>	94
Dividend income	–	508
Others	<b>66</b>	877
	<b><u>1,041</u></b>	<u>1,678</u>

\* Government grants were received by a subsidiary of the Company in Mainland China as government subsidies. There are no unfulfilled conditions or contingencies in relation to the grants.

## **5. OTHER GAINS, NET AND OTHER LOSSES, NET**

### **Other gains, net**

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Gains on disposal of property, plant and equipment, net	–	2,133
Gain from lease termination	–	110
	<b><u>–</u></b>	<u>2,243</u>

**Other losses, net**

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Fair value losses on financial assets at fair value through profit or loss, net*	7,422	62,760
Losses on disposal of property, plant and equipment, net	4	–
Losses on disposal of intangible assets, net	209	–
Loss on lease termination	63	–
Foreign exchange differences, net	<u>(638)</u>	<u>606</u>
	<u><b>7,060</b></u>	<u><b>63,366</b></u>

\* During the year ended 31 March 2023, the amount recognised included a fair value gain of HK\$58,000 on disposal of a Hong Kong listed equity security due to privatisation, of which the net proceeds from the disposal was HK\$792,000.

**6. FINANCE COSTS**

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Interest on lease liabilities	<u>72</u>	<u>78</u>

**7. LOSS BEFORE TAX**

The Group's loss before tax is arrived at after charging/(crediting):

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cost of inventories sold	182,430	122,321
Employee benefits (including directors' remuneration)	8,944	9,427
Salaries and other benefits	8,701	9,103
Pension scheme contributions	243	324
Management consultancy fees	–	1,250
Depreciation of property, plant and equipment	924	689
Depreciation of right-of-use assets	606	479
Fair value losses on financial assets at fair value through profit or loss, net	7,422	62,760
Auditors' remuneration	1,559	1,394
Auditor of the Company	1,500	1,350
Other auditors	59	44
Lease payments not included in the measurement of lease liabilities	420	507
Write-down of inventories to net realisable value	567	789
Impairment loss/(reversal of impairment loss) on financial assets, net	1,891	(925)
Impairment loss on a joint venture	<u>–</u>	<u>88</u>

- (i) No management consultancy fees were paid and payable to the directors of the Company for the year ended 31 March 2023 (2022: HK\$1,250,000).
- (ii) The write-down of inventories to net realisable value of HK\$567,000 (2022: HK\$789,000) for the year ended 31 March 2023 is included in “cost of sales” in the consolidated statement of profit or loss and other comprehensive income.

## 8. INCOME TAX (CREDIT)/EXPENSE

The income tax of the Group has been provided at the applicable tax rates on estimated assessable profits arising in Hong Kong and Mainland China during the year.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Current — Mainland China		
Charge for the year	7	1
Over-provision in prior years	<u>(185)</u>	<u>—</u>
Total tax (credit)/expense for the year	<u><u>(178)</u></u>	<u><u>1</u></u>

### (i) Cayman Islands and British Virgin Islands corporate income tax

The Company is not subject to any taxation in the Cayman Islands.

The Company’s subsidiaries incorporated in the British Virgin Islands (“BVI”) are not subject to any taxation in the BVI.

### (ii) Hong Kong profits tax

The Company’s subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at the rate of 16.5% (2022: 16.5%). The operation in Hong Kong has incurred net accumulated operating losses for income tax purposes and no income tax provisions are recorded for the year ended 31 March 2023 (2022: Nil).

### (iii) PRC corporate income tax (“CIT”)

CIT provision was made on the estimated assessable profits of entities within the Group established in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate was 25% for the years ended 31 March 2023 and 2022.

### (iv) PRC withholding income tax

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by the subsidiaries established in Mainland China to foreign shareholders in respect of earnings generated. As of 31 March 2023 and 2022, the directors of the Company estimated that the retained earnings of the PRC subsidiaries would be retained in Mainland China for use in future operations and investments. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future to their foreign shareholders. As at

31 March 2023, the aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised amounted to HK\$307,000 (2022: HK\$703,000).

## 9. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2023 (2022: Nil).

## 10. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the Company of HK\$25,966,000 (2022: HK\$78,168,000), and the weighted average number of ordinary shares of 172,600,000 (2022: 172,600,000) in issue during the year. The Group had no potentially dilutive ordinary shares in issue during the years ended 31 March 2023 and 2022.

## 11. TRADE RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade receivables	609	–
Less: Allowance for doubtful accounts	<u>–</u>	<u>–</u>
	<u><u>609</u></u>	<u><u>–</u></u>

The Group's trading terms with its customers are mainly on credit, except for new customers. Before accepting any new customer, the Group will apply an internal credit assessment policy to assess the potential customer's credit quality and define credit limits for each customer. The credit period is generally for a period of 120 days for major customers. Overdue balances are reviewed regularly by senior management. Trade receivables as of 31 March 2023 were non-interest-bearing.

The gross trade receivables at 31 March 2023, based on the invoice date, are all aged within 1 month.

The Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets.

The movements in the loss allowance for impairment are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
At the beginning of the year	–	2,102
Reversal of impairment losses, net	–	(925)
Amount written off as uncollectible	–	(1,203)
Exchange realignment	<u>–</u>	<u>26</u>
At the end of the year	<u><u>–</u></u>	<u><u>–</u></u>

## 12. TRADE AND OTHER PAYABLES AND ACCRUALS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	22	22
Other payables and accruals:		
Salaries and bonus payables	59	53
Other taxes payable	4,291	2,519
Auditor's remuneration	1,612	1,599
Others	<u>833</u>	<u>677</u>
	<u><u>6,817</u></u>	<u><u>4,870</u></u>

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Within 1 month	–	–
1 to 2 months	–	–
2 to 3 months	–	–
Over 3 months	<u>22</u>	<u>22</u>
	<u><u>22</u></u>	<u><u>22</u></u>

The trade payables are non-interest-bearing and the credit period of purchases ranges from 30 to 180 days. Other payables are non-interest-bearing and have an average credit term of 1 to 3 months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

## 13. SHARE CAPITAL

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Authorised:		
2,000,000,000 ordinary shares with par value of HK\$0.005 each	<u>10,000</u>	<u>10,000</u>
Issued and fully paid:		
172,600,000 ordinary shares with par value of HK\$0.005 each	<u>863</u>	<u>863</u>

## 14. COMMITMENTS

At 31 March 2023 and 2022, the Group had no capital commitments as at the end of the reporting periods.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS OVERVIEW**

Being an integrated fine jewellery provider and an original design manufacturer with a well-established operating history in Hong Kong, the Group is primarily engaged in designing, manufacturing, processing and exporting fine jewellery to jewellery wholesalers, retailers and high-net-worth customers mainly in Hong Kong and Mainland China. With the management expertise, the Group allocated more resources to participate in the fine artistic jewellery market and captured the market of high-net-worth customers.

Moreover, the Group has been offering a wide range of fine jewellery products in karat gold encompassing rings, earrings, pendants, necklaces, bracelets, bangles, cufflinks, brooches and anklets. Recently, according to the changes in the market, the management is committed to the development of the fine artistic jewellery and service platform (asset light) business. At the same time, in order to enrich the product range, the Group also provides gold products and materials. The Group's customers are mainly wholesalers and retailers of jewellery products, and high-net-worth customers.

During the year ending on 31 March 2023, various objective factors have had an impact, including the high infectiousness of the Omicron variant of COVID-19 at the beginning of 2022, the continued implementation of social distancing measures and travel restrictions in Hong Kong, which led to the cancellation of the international jewellery exhibition in Hong Kong and foreign jewellery businesses being unable to conduct business there. Throughout 2022, actual travel restrictions between Hong Kong and Mainland China persisted, and social distancing measures were not officially relaxed until 20 December 2022. As a result, opportunities to build partnerships within the industry have been negatively affected. Moreover, the emergence of jewellery e-commerce platforms has made it increasingly difficult to maintain traditional jewellery business.

Moreover, the ongoing geopolitical tensions resulting from the conflict between Russia and Ukraine, as well as the US-China trade war, have also had an impact. The US-China trade war has been unfavorable for Hong Kong's export business. The revenue generated from sales in the American market has significantly decreased to zero Hong Kong dollars for the year ended 31 March 2023, compared to the same period last year. The conflict between Russia and Ukraine has further impacted the economy of the European continent, with the uncertainty and risks associated with sanctions doubling. As a result, the revenue generated from sales in the Russian and European markets has significantly declined to zero Hong Kong dollars for the year ending on 31 March 2023.

With the experience and professional knowledge of the management team, the Group timely adjusted its strategy and reallocated business resources to fine artistic jewellery, gold products and materials, and online sales of gold jewellery and accessories in Hong Kong market and Mainland China market, resulting in a significant increase in sales. As of the year ended 31 March 2023, the revenue generated from sales in Hong Kong and Mainland China markets by the Group has significantly increased by approximately 83.6% to approximately HK\$185.5 million, compared to the same period last year.

The Group has relentlessly applied stringent controls over expenditures. For the year ended 31 March 2023, the Group's administrative expenses were approximately HK\$19.3 million, which were approximately 4.6% lower than that of the corresponding period of last year, while selling expenses increased by approximately 4.2% to approximately HK\$2.1 million, which was mainly due to the expansion of online sales during the year.

## **PROSPECTS**

The COVID-19 pandemic around the world has gradually come to an end since early 2023, and people's lives and work will gradually return to normal. At the same time, Hong Kong and mainland China officially opened their borders in March 2023, which will bring more opportunities and challenges to our business.

We have noticed the impact of international trade sanctions disputes and geopolitical tensions on our business. In addition, the Federal Reserve's interest rate hike cycle and reduction in bond purchases may also affect our business. Therefore, we need to be cautious in responding to market changes and timely adjust our strategies and plans.

As a company that specialises in fine artistic jewellery, the Group will continue to focus on innovation and design, improve product quality and uniqueness to meet customer needs. In addition, one of the sales channels for the Group's fine artistic jewellery products is through auction houses. Therefore, the Group has better utilized the auction platform to strive for better performance on the basis of having sold fine artistic jewellery at a well-known auction house in Hong Kong.

We will also proactively broaden our online sales channels to offer convenient and rapid shopping and customization experiences that cater to the diverse demands of our customers. The Company has started the online sales channels initially in Mainland China by taking advantage of the livestream e-commerce\* (直播帶貨) channel of Taobao in October 2022 and sold fashionable jewellery products. Since the target customers of these products were the general public, the prices were fixed at a level affordable to them. The Group expects to extend the online sales to the international market, including Hong Kong, Taiwan and South East Asia in the future.

With the growing prevalence of Augmented Reality (AR) and blockchain applications for commercial use, the Group may discover suitable opportunities to establish service platforms utilising these new technologies that enhance its service offerings and bolster its profitability. These services may encompass providing a comprehensive virtual platform for jewellery sales (including but not limited to F-NFT, etc.). The financing for this scheme will mainly originate from the Company's reserves.

People's lives and work will gradually return to normal. Consumer demand will be further released, so we believe that the luxury market will continue to recover. In order to grasp the business opportunities of the recovery of the luxury market, the Group intends to continue its existing business and at the same time explore suitable new business opportunities.



In addition, we will also focus on human resource management, implement target management and performance management systems, and actively invite experienced and outstanding professionals to join our operation team, so as to further improve the comprehensive competitiveness of the Company. We will continue to optimize our corporate strategy, cultivate an excellent corporate culture, and create long-term value for the stakeholders of the Company.

## FINANCIAL REVIEW

	<b>For the year ended</b>	
	<b>31 March</b>	
	<b>2023</b>	2022
Revenue (HK\$'000)	<b>185,472</b>	135,513
Gross profit (HK\$'000)	<b>3,036</b>	2,411
Gross profit margin (%)	<b>1.6</b>	1.8
Loss attributable to owners of the Company (HK\$'000)	<b><u>(25,966)</u></b>	<u>(78,168)</u>

### Revenue

The Group's revenue for the year ended 31 March 2023 was approximately HK\$185.5 million, representing an increase of approximately HK\$50.0 million or 36.9% compared with the year ended 31 March 2022. The increase in the Group's revenue was primarily due to the fact that the Group timely adjusted its strategy and reallocated the resource of the business on dealing with gold jewellery products and material in Hong Kong and Mainland China market which led to a significant increase in revenue from the sales in Hong Kong of approximately HK\$49.1 million or 48.6% compared with the year ended 31 March 2022 and an increase in revenue from the sales in the Mainland China of approximately HK\$35.3 million or 100% compared with the year ended 31 March 2022. On the other hand, the complex and challenging situation for the year ended 31 March 2023 contributed to the significant decrease of revenue from the sales in European market to zero; and a decrease in revenue from the Americas market to zero, due to the conflicts in Russia and Ukraine, tightened U.S. monetary policy and ongoing Sino-U.S. trade conflicts.

### Gross profit and gross profit margin

The Group's gross profit for the year ended 31 March 2023 was approximately HK\$3.0 million, representing an increase of approximately HK\$0.6 million or 25.9% compared with the year ended 31 March 2022. Gross profit margin decreased to approximately 1.6% for the year ended 31 March 2023 from approximately 1.8% for the year ended 31 March 2022, which was mainly due to larger proportion of sales of gold products and material with lower margin to the Hong Kong market.

## **Selling expenses**

The Group's selling expenses increased by approximately HK\$84,000 or 4.2% to approximately HK\$2.1 million for the year ended 31 March 2023 from approximately HK\$2.0 million for the year ended 31 March 2022. The increase was primarily attributable to freight charge and export insurance expenses co-related to the reduction of overseas sales.

## **Administrative expenses**

The Group's administrative expenses decreased by approximately HK\$0.9 million or 4.6%, to approximately HK\$19.3 million for the year ended 31 March 2023 from approximately HK\$20.2 million for the year ended 31 March 2022. The decrease was primarily due to the optimising of resource allocation, the decline in staff cost, insurance expenses, travelling expenses and rental expenses by approximately HK\$0.9 million attributable to the strengthening of cost controls in business operation.

## **Finance costs**

The Group's finance costs for the year ended 31 March 2023 was approximately HK\$72,000, which decreased by HK\$6,000 or 7.7% as compared to finance costs of approximately HK\$78,000 for the year ended 31 March 2022 due to repayment of lease liabilities.

## **Loss attributable to owners of the Company**

The Group recorded a loss attributable to owners of the Company of approximately HK\$26.0 million for the year ended 31 March 2023, representing a decrease of approximately HK\$52.2 million or 66.8% compared to a loss of approximately HK\$78.2 million for the year ended 31 March 2022. The loss was mainly attributable to the loss on changes in fair value on the listed equity securities held by the Group for the year ended 31 March 2023.

## **Property, plant and equipment**

The net carrying amount as at 31 March 2023 was approximately HK\$1.5 million, representing a decrease of approximately HK\$0.6 million from that as at 31 March 2022. This was mainly due to the reason that the Group increased leasehold improvement and office equipments to approximately HK\$0.3 million and net off depreciation amounted to approximately HK\$0.9 million.

## **Financial assets at fair value through profit or loss ("FVPL")**

Financial assets at FVPL amounted to approximately HK\$26.2 million including a portfolio of Hong Kong listed companies equity securities in various industries held for long term growth and a life insurance policy. During the year ended 31 March 2023, the loss on changes in fair value on financial assets at FVPL of approximately HK\$7.4 million has been recognised in profit or loss. The executive directors did not alter the Group's investment strategy due to short-term market volatilities.

## **Trade receivables**

There was an increase in trade receivables as at 31 March 2023 of approximately HK\$0.6 million as compared with 31 March 2022, which was mainly due to the increase of revenue.

## **Liquidity and financial resources**

As at 31 March 2023, the Group had current assets of approximately HK\$79.7 million (2022: approximately HK\$95.6 million) which comprised cash and bank balances of approximately HK\$62.6 million (2022: approximately HK\$92.8 million). As at 31 March 2023, the Group had non-current liabilities of approximately HK\$0.7 million (2022: approximately HK\$2.4 million), and the current liabilities amounted to approximately HK\$7.9 million (2022: approximately HK\$6.3 million), consisting mainly of payables arising in the normal course of operation. Accordingly, the current ratio, being the ratio of current assets to current liabilities, was approximately 10.1 as at 31 March 2023 (2022: approximately 15.1).

## **Gearing ratio**

The gearing ratio of the Group as at 31 March 2023 was not applicable as cash and bank balances exceeded interest-bearing borrowings.

## **Treasury policies**

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year under review. The Group strives to reduce exposure to credit risk by buying credit insurance on certain customers' receivables, 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 from time to time.

## **BUSINESS STRATEGIES**

With continued political, economic and market uncertainties, the production and sale of jewellery products reported an increase in gross profit. In light of the operations and financial position of the Group, the Group intends to explore other possible business opportunities both locally and abroad while staying on with its jewellery business. The Group aims to develop as a fine artistic jewellery provider in Hong Kong by improving the brand awareness and quality of products, strengthening the sales and marketing force and solidifying its presence in market.

The Group continues to explore opportunities where it believes would benefit the integrated services it is offering, i.e. providing a wider range of styles and designs tailored for individual markets and adjusting its production resources and capacity to better cater for delivery period of varied products, consumer preferences and festive shopping practices. The Group will also strengthen its established corporate brand name and proven design capabilities, increase resources in procuring precious gems in

order to attract high-net-worth customer group. The Group will spend its sales and marketing resources on promoting its brand and products, participating in selected trade exhibitions, utilising online marketing, and allocate sufficient design and product development resources to offer a wider range of products that are favourable to consumers in different markets.

The Group believes its abilities to create new product designs and develop innovative production techniques in response to market trends and consumer preferences contribute to the success of its products. The Group has been offering customers with a diverse range of products with appealing designs, made with assorted kinds of precious metals, diamonds and gem stones with various premium specifications in a bid to cater for a broad bandwidth of market demand, including collectible grade product. Backed by the “One Belt, One Road” initiative and increasing number of wealthy in China, the Group is devoted to expanding into the new market that will provide the Group with strong momentum for future growth.

### **Foreign exchange exposure**

For the year ended 31 March 2023, the Group had monetary assets and monetary liabilities denominated in- foreign currencies, i.e. currency other than the functional currency of the respective group entities, which are mainly other receivables, financial assets at FVPL, cash and bank balances and trade and other payables. Consequently the Group had foreign exchange risk exposure from translation of amount denominated in foreign currencies as at 31 March 2023. Since HK\$ is pegged to US\$, the Group does not expect any significant movements in HK\$/US\$ exchange rate. The Group is exposed to foreign exchange risk primarily with respect to RMB. If HK\$ as at 31 March 2023 had strengthened/weakened by 5% against RMB with all other variables held constant, the loss for the year attributable to owners of the Company would have been decreased/increased by approximately HK\$1,000 for the year ended 31 March 2023 (2022: loss for the year attributable to owners of the Company would have decreased/increased by less than HK\$1,000).

The Group does not engage in any derivatives activities and does not commit to any financial instruments to hedge its exposure to foreign currency risk.

### **Capital structure**

There has been no change in the capital structure of the Company during the year ended 31 March 2023. As at 31 March 2023, the capital of the Company comprises ordinary shares and capital reserves.

### **Capital commitments**

As at 31 March 2023 and 31 March 2022, the Group had no capital commitments.

### **Dividend**

The Board does not recommend the payment of final dividend for the year ended 31 March 2023.

No dividend has been paid or declared by the Company during the year ended 31 March 2023.

## **Information on employees**

As at 31 March 2023, the Group had 10 employees (2022: 6). Total staff costs (including the Directors' emoluments) were approximately HK\$8.9 million, as compared with approximately HK\$9.4 million for the year ended 31 March 2022. Remuneration is determined with reference to market conditions and individual employees' performance, qualification and experience.

Apart from the provident fund scheme (operation in accordance with the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or social insurance fund (including retirement pension insurance, medical insurance, unemployment insurance, injury insurance and maternity insurance for the PRC employees), discretionary bonuses and employee share options may be also awarded to employees according to the Group's performance as well as assessment of individual performance. Since the adoption of the share option scheme on 10 February 2015 and up to 31 March 2023, no options have been granted by the Company.

The Directors believe that the salaries and benefits of the Group's employees are kept at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually.

## **Share option scheme**

The Company has adopted the share option scheme on 10 February 2015 (the "Scheme") under which certain selected classes of participants (including, among others, Directors and full-time employees) may be granted options to subscribe for the shares. Unless otherwise cancelled or amended, the Scheme will remain in force for 10 years from that date. No share option had ever been granted under the Scheme since its adoption, up to 31 March 2023.

## **Significant Investments Held**

As at 31 March 2023, the Group held financial assets at fair value through profit or loss in the amounts of approximately HK\$26,185,000 as non-current assets, representing approximately 23.7% of its total assets.

The financial assets at fair value through profit or loss consist of a life insurance policy in the amounts of approximately HK\$18,096,000, representing approximately 16.4% of its total assets, and Hong Kong listed equity securities in the amounts of approximately HK\$8,089,000, representing approximately 7.3% of its total assets.

Pursuant to paragraph 32(4A) of Appendix 16 to the Listing Rules, the particulars of Hong Kong listed equity securities measured at fair value through profit or loss with a value of 5% or more of the Group's total assets as at 31 March 2023 and other material investments of listed equity securities held as at 31 March 2023 are set out below:

	Place of incorporation	HK stock code	Date of acquisitions	Number of shares acquired as at 31 March 2023	Proportion of acquired shares in the total issued share capital of investee as at 31 March 2023	Cost (exclusive of transaction costs) HK\$'000	Principal activities	Fair value		For the year ended 31 March 2023		Dividend income HK\$'000
								As at 31 March 2023 HK\$'000	Percentage to the Group's total assets %	Unrealised gain/(loss) on change in fair value HK\$'000		
(1)	Lisi Group (Holdings) Limited (formerly known as China Automobile New Retail (Holdings) Limited) ("Lisi Group") (Note 1)	Bermuda 0526	11 and 16 July 2019	69,202,000	Approximately 0.86%	Approximately 54,924	Manufacturing and trading business, retail business, wholesale business and investments holding business	Approximately 3,252	Approximately 2.94	Approximately 404		-
(2)	Redsun Properties Group Limited	Cayman Islands 1996	14 August 2019	3,500,000	Approximately 0.10%	Approximately 8,470	Property development, commercial property investment and operations, and hotel operations	Approximately 1,138	Approximately 1.03	Approximately (7,998)		-
(3)	China Anchu Energy Storage Group Limited (formerly known as China Fordoo Holdings Limited)	Cayman Islands 2399	11 July 2019	6,980,000	Approximately 0.32%	Approximately 14,746	Investment holding	Approximately 3,699	Approximately 3.34	Approximately (349)		-
Total						Approximately 147,798		Approximately 8,089	Approximately 7.31	Approximately (7,943)		-

The Group will continue to be on the search for new opportunities both locally and abroad, which is expected to provide an additional boost to our future growth. Hong Kong listed equity securities are still attractive investment and can enhance the returns on investment for the Group in long term. The Board did not alter the Group's investment strategy due to short-term market volatilities.

#### Note 1

For further information, please refer to the announcement of the Company dated 17 July 2019 in relation to the acquisitions of the shares of Lisi Group.

Note 2

As disclosed in the Annual Report of the Group dated 30 June 2022 (the “2022 Annual Report”), as at 31 March 2022, the Group held the following significant investment:

	Place of incorporation	HK stock code	Date of acquisitions	Number of shares acquired as at 31 March 2022	Proportion of acquired shares in the total issued share capital of investee as at 31 March 2022	Cost (exclusive of transaction costs) HK\$'000	Principal activities	For the year ended 31 March 2022			
								Fair value As at 31 March 2022 HK\$'000	Unrealised gain/(loss) on change in fair value Percentage to the Group's total assets % Unrealised gain/(loss) on fair value HK\$'000	Dividend income HK\$'000	
China U-Ton Future Space Industrial Group Holdings Limited (the former name is “China U-Ton Holdings Limited”) (“U-Ton Future”)	Cayman Islands	6168	11 July and 14 August 2019	200,540,000	Approximately 7.01%	Approximately 69,658	Provision of design, deployment and maintenance of optical fibers services, the provision of other communication networks services, the provision of environmentally intelligent technical products and services and the money lending services	-	-	Approximately (35,897)	-

For details of the Group’s investment in U-Ton Future, please refer to the 2022 Annual Report and the Group’s Interim Report dated 30 November 2022.

On 18 April 2023, the Listing Review Committee of the Stock Exchange decided to uphold the cancellation of U-Ton Future’s listing under Rule 6.01A(1) of the Listing Rules. The last day of listing of U-Ton Future’s shares (the “Shares”) was 28 April 2023 and the listing of the Shares has been cancelled with effect from 9:00 a.m. on 2 May 2023.

After the listing of the Shares has been cancelled with effect from 2 May 2023, the share certificates of the Shares remain valid, the Shares would not be listed on, and would not be tradeable on the Stock Exchange. Thereafter, U-Ton Future will no longer be subject to the Listing Rules.

Due to the receivership process of U-Ton Future, the fair values of the shares of U-Ton Future held by the Group as at 31 March 2023 was assessed to be zero (31 March 2022: zero). Following the delisting of U-Ton Future, the value of the shares of U-Ton Future is expected to be further decreased. In that regard, the investment in the shares of U-Ton Future by the Group is no longer considered by the Board a significant or material investment.

### Future Plans for Material Investments and Capital Assets

There was no definite future plan for material investments or acquisition of material capital assets as at 31 March 2023.

## **Material Acquisitions and Disposal of Subsidiaries and Affiliated Companies**

Save as disclosed in the paragraph headed “Significant Investments Held” in this report, the Group did not have any material acquisitions or disposals of subsidiaries or affiliated companies during the year ended 31 March 2023.

### **Charges of assets**

As at 31 March 2023, the Group had no short-term secured borrowings (2022: Nil).

### **Contingent liabilities**

The Group had no material contingent liabilities as at 31 March 2023 (2022: Nil).

## **CHANGE OF COMPANY NAME**

On 18 August 2022, the special resolution approving the change of the company name and dual foreign name in Chinese of the Company respectively from “Hifood Group Holdings Co., Limited” to “Domaine Power Holdings Limited” and from “海福德集團控股有限公司” to “域能控股有限公司” (the “Change of Company Name”) was duly passed by the shareholders of the Company at the annual general meeting held on 18 August 2022.

The Certificate of Incorporation on Change of Name was issued by the Registry of Companies in the Cayman Islands on 29 August 2022 certifying the change of the company name and dual foreign name in Chinese of the Company with effect from 25 August 2022. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Companies Registry in Hong Kong on 19 September 2022 certifying the registration of the Company’s new name in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

## **CHANGE OF STOCK SHORT NAME**

The English and Chinese stock short names of the Company for trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) have changed respectively from “HIFOOD GROUP” to “DOMAINE POWER” and from “海福德集團” to “域能控股” since 3 October 2022. The stock code of the Company on the Stock Exchange remains unchanged as “442”.

## **CHANGE OF COMPANY WEBSITE AND EMAIL ADDRESS**

With effect from 28 September 2022, the website of the Company has been changed from “www.ktl.com.hk” to “www.domainepower.com” to reflect the Change of Company name. All announcements, notices or other documents submitted by the Company for publication on the websites of the Stock Exchange will also be published on this new website of the Company.

With effect from 28 September 2022, the contact email address of the Company has been changed from “enquiry@ktl.com.hk” to “enquiry@domainepower.com”.



Please refer to the announcement of the Company dated 28 September 2022 for further details.

## **CHANGE OF HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

The headquarters and principal place of business of the Company in Hong Kong have been changed to Unit 2203A, 22/F., Wu Chung House, No. 213 Queen's Road East, Wanchai, Hong Kong with effect from 22 November 2022.

## **AMENDMENT OF CONSTITUTIONAL DOCUMENT**

The second amended and restated memorandum and articles of association of the Company was adopted by way of a special resolution passed by the shareholders of the Company at the annual general meeting held on 18 August 2022. The second amended and restated memorandum and articles of association is available on the website of the Stock Exchange and the Company.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended 31 March 2023, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **CLOSURE OF THE REGISTER OF MEMBERS**

To determine the eligibility of the shareholders of the Company to attend the annual general meeting to be held on 8 September 2023, the register of members will be closed from 5 September 2023 to 8 September 2023, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to attend and vote at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrars, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong for registration not later than 4:30 pm on 4 September 2023.

## **CORPORATE GOVERNANCE PRACTICES**

Adapting and adhering to recognised standards of corporate governance principles and practices has always been one of the top priorities of the Company. The Board believes that good corporate governance is one of the areas that lead to the success of the Company and in balancing the interests of shareholders, customers and employees, and the Board is devoted to ongoing enhancements of the efficiency and effectiveness of such principles and practices.

The Board has adopted the Principles and code provisions (the "Code Provisions") of the Corporate Governance Code set out in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices enabling its shareholders to evaluate. During the year ended 31 March 2023, the Company had complied with the Code Provisions.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Pursuant to code provision C.2.1 of the Code Provisions, the Company fully supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer to ensure a balance of power and authority during the year ended 31 March 2023. As at 31 March 2023 and up to the date of this annual report, the positions of the Chairman and Chief Executive Officer were held by Dr. So Shu Fai and Mr. Tom Xie, respectively.

## **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 its own code of conduct regarding securities transaction by Director of the Company. Having made specific enquiries to all the Directors, the Directors confirmed that they had complied with the required standard as set out in the Model Code during the year ended 31 March 2023.

## **DISCLOSURE OF DIRECTORS’ INFORMATION PURSUANT TO RULES 13.51(2) AND 13.51B OF THE LISTING RULES**

During the year ended 31 March 2023, there were certain changes of the board committees composition:

### **With effect from 30 June 2022:**

- (i) Dr. So Shu Fai, the co-chairman of the Nomination Committee and Remuneration Committee has been re-designated as chairman of the Nomination Committee and member of the Remuneration Committee;
- (ii) Mr. Tom Xie, the co-chairman of the Nomination Committee has been re-designated as member of the Nomination Committee;
- (iii) Mr. Chan Wai Dune has ceased to be the co-chairman and member of the Remuneration Committee and the member of the Nomination Committee; and
- (iv) Mr. Yau Pak Yue, the member of the Remuneration Committee has been appointed as chairman of the Remuneration Committee.

Moreover, a new letter of appointment was entered into between the Company and each of the independent non-executive Directors, namely, Mr. Yau Pak Yue, Mr. Chung Wai Man and Mr. Ning Rui, pursuant to which, inter alia, with effect from 1 July 2022, (a) each of the independent non-executive Directors’ monthly salary has been increased to HK\$11,000, and (b) the term of office has been increased to two years. The rest of the terms of the new letter of appointment remains unchanged as compared to the previous letter of appointment.

## **REVIEW OF FINANCIAL INFORMATION**

The audit committee of the Company (the “Audit Committee”) consists of three independent non-executive Directors, namely Mr. Yau Pak Yue (Chairman of the Audit Committee), Mr. Chung Wai Man and Mr. Ning Rui. The Company’s annual results for the year ended 31 March 2023 have been reviewed by the Audit Committee, which takes the view that the applicable accounting standards and requirements have been complied with by the Company and that adequate disclosures have been made.

## **SCOPE OF WORK OF THE COMPANY’S 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 ended 31 March 2023 as set out in the preliminary announcement have been agreed by the Company’s auditor to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance has been expressed by the Company’s auditor on the preliminary announcement.

## **GENERAL**

A circular containing, *inter alia*, the information required by the Listing Rules, together with the notice of the upcoming annual general meeting, will be despatched to the shareholders of the Company in due course.

## **PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY**

The results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company’s website at [www.domainepower.com](http://www.domainepower.com). The annual report of the Company for the year ended 31 March 2023 containing all the information required by the Listing Rules will be dispatched to shareholders and published on the above websites in due course.

By order of the Board  
**Domaine Power Holdings Limited**  
**Dr. So Shu Fai**  
*Chairman and Executive Director*

Hong Kong, 30 June 2023

*As at the date of this announcement, the executive Directors are Dr. So Shu Fai and Mr. Tom Xie; the non-executive Director is Mr. Chan Wai Dune; and the independent non-executive Directors are Mr. Chung Wai Man, Mr. Yau Pak Yue and Mr. Ning Rui.*