HANG PIN LIVING TECHNOLOGY COMPANY LIMITED
杭品生活科技股份有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1682)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Hang Pin Living Technology Company Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2024 (the "**Reporting Period**") with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	Notes	2024	2023
		HK$'000	*HK$'000*
Revenue	*4*	**96,691**	123,210
Cost of sales		**(94,382)**	(117,688)
Gross profit		**2,309**	5,522
Other income and other gain or loss	*6*	**4,725**	1,591
Selling and distribution costs		**(158)**	(166)
Administrative and operating expenses		**(13,683)**	(13,373)
Reversal of expected credit loss		**152**	917
Loss before taxation		**(6,655)**	(5,509)
Income tax credit	*7*	**3,000**	-

	Notes	**2024** *HK$'000*	2023 *HK$'000*
Loss for the year attributable to owners of the Company	*8*	**(3,655)**	(5,509)
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(423)**	(765)
Other comprehensive expense for the year		**(423)**	(765)
Total comprehensive expense for the year attributable to owners of the Company		**(4,078)**	(6,274)
Loss per share			
Basic and diluted (HK cents)	*10*	**(0.47)**	(0.70)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Plant and equipment		**1,062**	608
Right-of-use assets		**-**	154
		1,062	762
CURRENT ASSETS			
Trade and other receivables	*11*	**13,979**	42,784
Amount due from a former subsidiary		**1,130**	2,832
Loan receivables	*12*	**-**	44,181
Financial assets at fair value through profit or loss ("**FVTPL**")		**29,340**	17,732
Cash and cash equivalents		**60,238**	32,110
		104,687	139,639
CURRENT LIABILITIES			
Trade and other payables	*13*	**16,458**	44,851
Tax payables		**1,200**	4,200
		17,658	49,051
NET CURRENT ASSETS		**87,029**	90,588
TOTAL ASSETS LESS CURRENT LIABILITIES		**88,091**	91,350
NET ASSETS		**88,091**	91,350
CAPITAL AND RESERVES			
Share capital		**7,859**	7,859
Reserves		**80,232**	83,491
TOTAL EQUITY		**88,091**	91,350

1. GENERAL

The Company is an exempted company with limited liability incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company acts as an investment holding company. The principal activities of the Company and its subsidiaries (the "**Group**") are garment sourcing and provision of financial services.

The consolidated financial statements are presented in Hong Kong Dollar ("**HK$**"), which is also the functional currency of the Company and all values are rounded to the nearest thousand (HK$'000) except otherwise indicated.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred tax related to assets and liabilities arising from a single transaction*
Amendments to HKAS 12	*International Tax Reform — Pillar Two Model Rules*
HKFRS 17 (including the October 2020 and February 2022 Amendments)	*Insurance Contracts (new standard)*

The application of the new and revised HKFRSs in the current year has had no material effect on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these consolidated financial statements excepts as described below.

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

- In accordance with the amendments to HKAS 1 and HKFRS Practice Statement 2, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

- Change in accounting policy on offsetting arrangement in long service payment scheme in HKSAR
  In June 2022, the HKSAR Government enacted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") which will be effective from 1 May 2025 (the "Transition Date"). Under the Amendment Ordinance, any accrued benefits attributable to the employer's mandatory contributions under mandatory provident fund scheme ("MPF Benefits") of an entity would no longer be eligible to offset against its obligations on long service payment ("LSP") for the portion of the LSP accrued on or after the Transition Date. There is also a change in the calculation basis of last monthly wages for the portion of the LSP accrued before the Transition Date.

  Prior to 1 January 2023, the Group applied practical expedient in HKAS 19 paragraph 93(b) (the "Practical expedient") to account for the offsetable MPF Benefits as deemed employee contributions to reduce the current service costs in the period in which the related services were rendered.

  In July 2023, the HKICPA published "Accounting implications of the abolition of the MPFLSP offsetting mechanism in HKSAR" (the "Guidance") which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a "simple type of contributory plans" to which the Practical expedient had been intended to apply. By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the Practical expedient and reattribute the deemed employee contributions on a straight line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). The cumulative effect of recognising these adjustments as of 31 December 2022 or for the year ended was not material and hence no adjustment was made to the beginning accumulated losses, or another component of equity.

(b) Amendments to HKFRSs in issue but not yet effective

In addition, the Group has not applied the following amendments to HKFRSs, that have been issued but are not yet effective, in these consolidated financial statements.

Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current*[1]
Amendments to HKAS 1	*Non-current Liabilities with Covenants*[1]
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Hong Kong Interpretation 5 (Revised)	*Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*[1]
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*[1]
Amendments to HKAS21	*Lack of Exchangeability*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]

1 Effective for annual periods beginning on or after 1 January 2024.

2 Effective for annual periods beginning on or after 1 January 2025.

3 Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. REVENUE

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers		
Revenue from sourcing of garment products	**95,311**	118,710
Revenue from other source		
Interest income from loan receivables	**1,380**	4,500
Total revenue	**96,691**	123,210

Performance obligations for contracts with customers

Revenue from sourcing of garment products is recognised at a point in time when control of the products has transferred, being when the products are delivered to the customer's designated location. Following the delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility on selling the goods and bears the risks of obsolescence and loss in related to the goods.

Transaction allocated to the remaining performance obligation for contracts with customers

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its contract for sourcing of garment products such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contract for sourcing of garment products that had an original expected duration of one year or less.

5. SEGMENT INFORMATION

Information reported internally to the executive Directors, being the chief operating decision maker (the "**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

- garment sourcing
- provision of financial services

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business has different market and requires different marketing strategies.

Segment revenues reported below represents revenue generated from external customers. There were no inter-segment sales for both years.

Segment result represents the profit or loss incurred by each segment without allocation of corporate income and central administration expenses including directors' emoluments, equity-settled share-based payment expense and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment revenue and results

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

For the year ended 31 March 2024

	Garment sourcing	**Provision of financial services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Revenue	**95,311**	**1,380**	**96,691**
Segment results	**(593)**	**(641)**	**(1,234)**
Unallocated other income			**4,689**
Unallocated administrative and other expenses			**(10,110)**
Finance costs			**-**
Loss before taxation			**(6,655)**

For the year ended 31 March 2023

	Garment sourcing	Provision of financial services	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue	118,710	4,500	123,210
Segment results	(898)	138	(760)
Unallocated other income			732
Unallocated administrative and other expenses			(5,481)
Finance costs			-
Loss before taxation			(5,509)

Segment assets and liabilities

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

As at 31 March 2024

	Garment sourcing	**Provision of financial services**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
Segment assets	**22,272**	**1**	**22,273**
Unallocated corporate assets			**83,476**
Consolidated assets			**105,749**
Segment liabilities	**13,595**	**-**	**13,595**
Unallocated corporate liabilities			**4,063**
Consolidated liabilities			**17,658**

As at 31 March 2023

	Garment sourcing	Provision of financial services	Total
	HK$'000	*HK$'000*	*HK$'000*
Segment assets	51,905	46,446	98,351
Unallocated corporate assets			42,050
Consolidated assets			140,401
Segment liabilities	44,941	1,052	45,993
Unallocated corporate liabilities			3,058
Consolidated liabilities			49,051

For the purpose of monitoring resource allocation and assessment of segment performance:

- all assets are allocated to reportable segments other than unallocated corporate assets (mainly comprised of certain plant and equipment, certain right-of-use assets, financial assets at FVTPL, amount due from a former subsidiary, certain deposits, prepayment and other receivables and cash and cash equivalents); and

- all liabilities are allocated to reportable segments other than unallocated corporate liabilities (mainly comprised of certain accruals and other payables and certain tax payables).

Geographical information

Information about the Group's revenue from external customers is presented based on the location of the operation of subsidiaries. Information about the Group's non-current assets is presented based on geographical location of the assets and is as follows:

	Revenue from external customers		**Non-current assets**	
	2024	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
The People's Republic of China (the "**PRC**")	**95,311**	118,710	**495**	–
Hong Kong	**1,380**	4,500	**567**	762
	96,691	123,210	**1,062**	762

Other segment information

	Garment sourcing		Provision of financial services		Unallocated		Consolidated	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Amounts included in the measure of segment results or segment assets:								
Depreciation of plant and equipment	**67**	–	**–**	–	**195**	199	**262**	199
Depreciation of right-of-use assets	**–**	–	**–**	–	**–**	31	**–**	31
(Reversal of)/allowance for expected credit loss	**–**	–	**(819)**	(452)	**667**	(465)	**(152)**	(917)
Amounts regularly provided to the CODM but not included in the measure of segment results:								
Bank interest income	**(69)**	(123)	**–**	–	**(957)**	(27)	**(1,026)**	(150)

Information about major customers

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

	2024	2023
	HK$'000	*HK$'000*
Sourcing of garment products:		
Customer A	**43,773**	49,482
Customer B	**19,986**	43,236
Customer C	**12,076**	N/A#

The customers did not contribute over 10% of the total revenue during the relevant years.

6. OTHER INCOME AND OTHER GAIN OR LOSS

	2024	2023
	HK$'000	*HK$'000*
Bank interest income	**1,026**	150
Government grants (Note)	**-**	240
Fair value changes on financial assets at FVTPL	**1,239**	(2,968)
Interest income from financial assets at FVTPL	**-**	1,252
Dividend income from financial assets at FVTPL	**2,731**	3,158
Written off of financial assets at FVTPL	**(238)**	-
Foreign exchange gain/(loss), net	**-**	63
Charity donation	**(33)**	(574)
Sundry income	**-**	270
	4,725	1,591

Note: During the year ended 31 March 2023, the Group recognised government grants of HK$240,000 in respect of COVID-19-related subsidies relating to Employment Support Scheme provided by the Hong Kong Government.

7. INCOME TAX CREDIT

	2024	2023
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– Current year	**–**	–
– Over-provision in prior years (note)	**3,000**	–
	3,000	–

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made for the years ended 31 March 2024 and 2023 as the Group's subsidiaries operating in Hong Kong resulted in estimated tax losses.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. No provision for PRC Enterprise Income Tax has been made for the years ended 31 March 2024 and 2023 as the Group has no assessable profit arising in PRC.

Note: A subsidiary in Hong Kong provided tax for 2017/18, deregistered during the year, reversal of provision.

8. LOSS FOR THE YEAR

	2024	2023
	HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company has been arrived at after charging/(crediting):		
(a) Staff costs (include directors' remuneration):		
– directors' fee	**2,415**	2,415
– salaries and wages	**5,200**	5,307
– retirement benefit schemes contributions	**193**	181
– staff welfare	**22**	25
– equity-settled share-based payment expense	**224**	224
Total staff costs	**8,054**	8,152
(b) Other Items		
Auditor's remuneration	**530**	530
Depreciation of plant and equipment	**262**	199
Depreciation of right-of-use assets	**-**	31
(Reversal of)/ allowance for expected credit loss on:		
– loan receivables	**(819)**	(452)
– amount due from a former subsidiary	**667**	(465)
	(152)	(917)
Equity-settled share-based payment expense to customers/suppliers	**595**	595

9. DIVIDEND

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

10. LOSS PER SHARE

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

	2024	2023
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	**(3,655)**	(5,509)

	2024	2023
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**785,927**	785,927

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price for shares for the years ended 31 March 2024 and 2023.

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	HK$'000	HK$'000
Trade receivables from contract with customers (Note (a))	**13,646**	42,239
Less: Allowance for expected credit loss	**–**	–
	13,646	42,239
Other receivables, net	**58**	3
Interest receivables	**-**	282
Deposits	**275**	260
	13,979	42,784

(a) Trade receivables from contract with customers

The Group normally grants credit terms to its customers ranging from 30 to 150 days. The aging analysis of the trade receivables from contract with customers (net of allowance for expected credit loss) based on invoice date which approximates the respective revenue recognition dates were as follows:

	2024	2023
	HK$'000	*HK$'000*
0 – 30 days	**9,195**	31,761
31 – 60 days	**4,451**	10,478
	13,646	42,239

12. LOAN RECEIVABLES

	2024	2023
	HK$'000	HK$'000
Loan receivables	**-**	45,000
Less: Allowance for expected credit loss	**-**	(819)
	-	44,181

The Group had loan receivables as follows:

(i) Loan to a private company incorporated in Hong Kong, which is an independent third party with a principal amount of HK$25,000,000. The loan is unsecured, interest-bearing at 10% per annum, repaid in May 2023 and guaranteed by an independent third party.

(ii) Loan to an individual, who is an independent third party with a principal amount of HK$20,000,000. The loan is unsecured, interest-bearing at 10% per annum and repayable in October 2022. On 6 October 2022, the loan was extended for 12 months to 36 months commencing on 6 October 2020 and repaid in October 2023, other terms remain unchanged.

13. TRADE AND OTHER PAYABLES

	2024	2023
	HK$'000	*HK$'000*
Trade payables (Note (a))	**13,500**	41,821
Accruals and other payables	**2,958**	1,978
Interest in advance	**-**	1,052
	16,458	44,851

As at 31 March 2024, accruals and other payables of approximately HK$94,000 (2023: HK$120,000) was denominated in RMB.

(a) Trade payables

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

	2024	2023
	HK$'000	*HK$'000*
0-30 days	**9,096**	31,447
31-60 days	**4,404**	10,374
	13,500	41,821

The average credit period on purchases of goods is 30 days (2023: 30 days).

BUSINESS REVIEW

The Company is a limited company incorporated in Bermuda and is an investment holding company. The Group is principally engaged in (I) garment sourcing, and (II) provision of financial services.

(I) GARMENT SOURCING

During the Reporting Period, the international landscape and geopolitics increasingly sophisticated, the global path to economic recovery was choppy. Stubbornly high inflation has resulted in both high interest rates as well as persistent interest rate hikes. Coupled with the ongoing Russia-Ukraine war and the resurgence of the US-China technology dispute, these factors have resulted in geopolitical tensions and weak trade. As a result, the global economic growth remained moderate.

The Group also faced severe challenge like its peers. As affected by the Sino-US trade disputes, the trading atmosphere had remained tense and the international policy had been highly uncertain. The increasing trade barriers has damaged the market confidence. As a result, the operating performance of retailers was adversely affected, especially for those engaged in the trading of non-daily necessities, such as apparel products. Some retailers even had to shut down their large retail stores and to realise their real assets as they are plunged into liquidity crisis, constituted the continuous weakening of business confidence and the dampening of consumers' sentiments. Facing the unfavorable market conditions resulted from the undesirable business environment, wholesalers are also cautious in placing orders. In addition, online shopping become more and more popular, the pandemic has fueled the growth of the "stay-at-home" economy, further drove the development of online retail business, customers have significantly higher expectation on speediness, quality and pricing of products and services, which also posed challenges to the Group's business. To meet such challenge, the Company established new procedures for supplier selection with the aim to enhance business growth in a sustainable manner. The management of the Company decided to only select suppliers who are reputable and financially sound, possess a proven solid track record, and are willing to offer favorable terms.

In Mainland China, the deepening of the property sector downturn marred the overall economic rebound after the country's post-COVID reopening in early 2023. Even so, the GDP in China grew by 5.2 % in 2023, more than that had been previously forecasted. Fiscal stimulus enacted in October 2023 and March 2024 helped mitigate the impact of declining manufacturing activity and sluggish services industry. However, as far as garment industry is concerned, due to the combined impact of the global economic recovery being slower than expected and supply chain restructuring, the supply chain layout is rapidly evolving towards regional distribution. Downstream customers continued destocking, resulting in a significant year on year decline in China's textile and apparel exports to the Europe and US markets. Although various anti-epidemic measures had been withdrawn in Mainland China at the beginning of 2023 and the overall business environment has returned to normal, due to the combined effects of economic slowdown, sluggish real estate market and external adverse factors, the overall pace of recovery was slower than expected, and the market conditions were still weak while recovery was still slow in terms of consumers' purchasing power in the textile and apparel market. Consumers remained cautious on spending and preferred low-priced, functional and cost-effective consumption. The sub-essential industry only achieved a slight increase in sales throughout the year, and the road to recovery remained challenging.

In Hong Kong, the economy staged a recovery in 2023 in the aftermath of the pandemic. Economic activities revived following the removal of anti-epidemic measures and resumption of normal travel, though the challenging external environment amid heightened geopolitical tensions and tightened financial conditions constrained the pace of recovery. Real GDP resumed growth of 3.2% in 2023. Hong Kong's total exports of goods fell further in 2023, dragged by the weak external demand for goods. Exports to the Mainland China, the US and the EU fell visibly further. Exports to other major Asian markets shrank by varying degrees.

The above factors combined severely hinder consumer confidence and limit discretionary spending particularly in mainland China, resulting in the decrease of the Group's total revenue.

(II) PROVISION OF FINANCIAL SERVICES

The Group commenced the provision of financial services which includes asset management, finance lease, pawn and money lending business in 2018. The Group has been focusing on accelerating its strategic plan in the PRC and Hong Kong markets, further enriching its product offerings and enhancing its financial service system, with an aim to rapidly enhance its business scale and seize the PRC and Hong Kong market. The Group considers that the demand for financial services is significant and the industry is vibrant in both China and Hong Kong. These new business activities will provide a good opportunity for the Group to diversify its revenue stream, which is expected to benefit the Company and its shareholders as a whole.

Under the money lending business, Golden Maximum Finance Limited ("**Golden Maximum**"), an indirectly wholly-owned subsidiary of the Group and a money lender license holder under the Money Lenders Ordinance (Cap. 163 of the laws of Hong Kong), offers both secured and unsecured loans to borrowers, which primarily include individuals and corporations in Hong Kong or the PRC. The borrowers of Golden Maximum under the money lending business are mainly introduced to the Group by referral by the close business partners or customers of the Group and are with sound credit records. The money lending business generates revenue and profit by way of interest income. The money lending business is financed by the internal resources of the Group.

During the Reporting Period, the Group (i) had not recorded any default of interest or principal from its borrowers and (ii) had no write-off of loans from the money lending business.

PROSPECTS AND DEVELOPMENT PLAN

The International Monetary Fund (IMF) issued the latest "World Economic Outlook" in April 2024, the baseline forecast is for the world economy to continue growing at 3.2 % during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6 % in 2023 to 1.7 % in 2024 and 1.8 % in 2025—will be offset by a modest slowdown in emerging market and developing economies from 4.3 % in 2023 to 4.2 % in both 2024 and 2025. The forecast for global growth five years from now—at 3.1 %—is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 % in 2023 to 5.9 % in 2024 and 4.5 % in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually. The growth for China is to fall from 5.2 % in 2022 to 4.6 % in 2023, before further fall to 4.1 % in 2024. At a time when growth prospects are weakening in China and several other large emerging markets, it is critical for policymakers—both in G20 emerging markets and those countries that could be impacted—to understand the channels through which a slowdown could propagate through the global economy.

In Hong Kong, the economy recorded moderate growth in the first quarter of 2024. Exports of services remained as an important driver of growth, while total exports of goods improved further. Private consumption and overall investment expenditures continued to expand. Real GDP grew by 2.7% year-on-year, having increased by 4.3% in the preceding quarter. On a seasonally adjusted quarter-to-quarter comparison, real GDP increased by 2.3%. Looking ahead, the Hong Kong economy should record further growth in the rest of the year. Exports of services should be supported by further revival of inbound tourism alongside the continued recovery of handling capacity and the Government's efforts to promote a mega event economy. Exports of goods should improve further if external demand holds up, though geopolitical tensions will bring uncertainties. Domestically, rising employment earnings and the Government's initiatives to boost sentiment should help private consumption, but residents' changing consumption pattern may pose challenges. Continued economic growth should lend support to fixed asset investment. However, a longer period of tight financial conditions may affect local economic confidence and activities. Taking into account the actual outturn in the first quarter and the latest developments of the global and local situation, the real GDP growth forecast for 2024 as a whole is maintained at 2.5%-3.5%. The forecast rates of underlying and headline consumer price inflation for 2024 are maintained at 1.7% and 2.4% respectively.

Despite the current macroeconomic environment featuring high inflation and reduced consumer confidence, the Group remains cautiously optimistic about the long-term prospects of its business. The Group anticipates a gradual improvement in revenue, prompted by the easing of high inflation and customer destocking, and the potential for recession in the U.S., ongoing geopolitical tensions between China and the U.S., and high interest rates that significantly increase borrowing costs, adding uncertainty to the global economic outlook, the Group expects that it will take some time for the consumer sector to fully recover. Although the Chinese government has made great efforts to stabilize the economy. At present, the Group is closely monitoring the market conditions and assessing the operational and financial impacts to the Group.

Subsequent to the termination of tenancy agreement and disposal of assets in the PRC, the Group returns back to light assets business model and enabled the Group to demonstrate operational resilience in an uncertain market environment, and strictly control the quality of supply chain to ensure its excellent product quality is consistently maintained, to meet the consumers' expectations as well as to adhere to the customer-orientation principle. In light of the unprecedented economic and business challenges, the new business model has reduced both inventory pressure and operating costs so as to improve the Group's competition advantage. The Group will endeavor to raise the level of operations for its principal businesses and will endeavor to search for new business opportunities and expand profit channels with the goal to strive for greater returns for shareholders.

FINANCIAL REVIEW

During the Reporting Period, the revenue of the Group amounted to approximately HK$96,691,000 (2023: approximately HK$123,210,000): revenue from the garment sourcing amounted to approximately HK$95,311,000, representing a decrease of approximately 19.71% (2023: approximately HK$118,710,000); revenue from the provision of financial services amounted to approximately HK$1,380,000 (2023: approximately HK$4,500,000). The gross profit margin was approximately 2.09%, representing a decrease of approximately 2.39 percentage points (2023: approximately 4.48%). Other income amounted to approximately HK$4,725,000 (2023: approximately HK$1,591,000), which was mainly attributable to the bank interest income and the dividend income from financial assets at FVTPL. Selling and distribution costs amounted to approximately HK$158,000 (2023: approximately HK$166,000). Administrative expenses amounted to approximately HK$13,683,000, representing an increase of approximately 2.32% (2023: approximately HK$13,373,000). Reversal of expected credit loss amounted to approximately HK$152,000 (2023: approximately HK$917,000), which was mainly attributable to the reversal of impairment loss recognised from loan receivables. Income tax credit amounted to approximately HK$3,000,000 (2023: nil), which was mainly attributable to the reversal of income tax expense over-provision in prior years. Due to the aforesaid reasons, the loss for the year attributable to the owners of the Company amounted to approximately HK$3,655,000 (2023: approximately HK$5,509,000).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2024, the Group had total assets of approximately HK$105,749,000 (as at 31 March 2023: approximately HK$140,401,000) (including cash and cash equivalents of approximately HK$60,238,000 (as at 31 March 2023: approximately HK$32,110,000)) which were financed by current liabilities of approximately HK$17,658,000 (as at 31 March 2023: approximately HK$49,051,000) and shareholders' equity of approximately HK$88,091,000 (as at 31 March 2023: approximately HK$91,350,000).

The Group generally services its debts primarily through cash generated from its operations. As at 31 March 2024, the liquidity ratio, represented by a ratio between current assets over current liabilities, was 5.93:1 (as at 31 March 2023: 2.85:1), which was at a healthy level. The Directors believe that the Group has sufficient funds for developing existing business.

As at 31 March 2024, the Group had no bank or other borrowings (as at 31 March 2023: nil) and hence no gearing ratio was presented.

TREASURY POLICY

The Group adopts a prudent financial management strategy in implementing the treasury policy. Thus, a sound liquidity position was maintained throughout the Reporting Period. The Group continues to assess its customers' credit and financial positions so as to minimising the credit risks. In order to control the liquidity risks, the Board would closely monitor the liquidity position of the Group to ensure its assets, liabilities and other flow structure committed by the Group would satisfy the funding needs from time to time.

FOREIGN EXCHANGE AND RISK MANAGEMENT

The Group's working capital is mainly financed through internal generated cash flows. The management of the Group regularly monitors the funding requirements of the Group to support its normal operations and its development plans. Most of the Group's cash balances were deposits in US$, HK$ and RMB with major global financial institutions and most of the Group's monetary assets, revenues, monetary liabilities and payments were held in US$, HK$ and RMB.

Foreign exchange risks arising from sales and purchases transacted in different currencies may be managed by the Group through the use of foreign exchange forward contracts. Pursuant to the Group's policy in place, foreign exchange forward contracts or any other financial derivative contracts may be entered into by the Group for hedging purposes. The Group had not entered into any financial derivative contracts throughout the Reporting Period and had no outstanding financial derivative contracts as at 31 March 2024.

INTERNAL CONTROLS FOR MONEY LENDING BUSINESS

(A) Credit risk assessment

Golden Maximum has adopted a credit risk assessment policy to manage its money lending business.

When a potential borrower is referred to Golden Maximum by the close business partners or customers of the Group, a loan application form will be submitted to Golden Maximum for approval, setting out the potential borrower's personal information and financial position, including his/her source of income and amount of income, the market value of the assets, and details of the outstanding mortgages (if any) with banks or other financing companies. For a corporation, its operating history, identity of its shareholder(s) and guarantor(s) and its other financial and asset information will be submitted for approval. Together with the loan application form, the following documents will be verified or reviewed:

(a) copy of identity card or passport;

(b) copy of income proof, such as tax demand note, salary payroll receipt, employment contract or tenancy agreement;

(c) copy of residential address proof dated within the last three months, such as utility bills, tax return or bank statement;

(d) legal search for the credit worthiness assessment; and

(e) land search report for the proof of property ownership.

Golden Maximum will also observe the requirement to comply with the anti-money laundering or counter terrorist financing regulations for its money lending business. Furthermore, to promote the potential borrower's awareness of the requirements of the Money Lenders Ordinance, a summary of provisions of the Money Lenders Ordinance will be attached, for the potential borrower's reference, to the loan agreement to be entered into between Golden Maximum and the potential borrower.

(B) Granting/renewing of unsecured loans

Before granting unsecured loans to the borrower, Golden Maximum must objectively assess all expected material factors having regard to the information provided by the potential borrowers and guarantors, information obtained from registers and information systems used for the assessment of the ability to make repayments and other information available to Golden Maximum that might affect the potential borrowers and guarantors' ability to make repayments, in particular, such factors as sustainable income, credit history and potential changes (increase and decrease) of income of the potential borrowers and guarantors. For renewing unsecured loans, apart from reassessing the factors discussed above, Golden Maximum will also consider the repayment history of the borrowers.

Golden Maximum will use a debt-to-income ratio ("**DTI**") as a tool in decision making. To calculate the DTI, Golden Maximum adds up all the potential borrower's annual debt payments and divide them by their gross annual income. Their gross annual income is generally the amount of money they have earned before taxes and other deductions are taken out. Unless approved on an exceptional basis by the Board, applications by the potential borrower with DTI in excess of 80% should be declined. In any case, DTI must not exceed 90%.

(C) Ongoing monitoring of loans

With a view to minimising the risks of delinquent loans, Golden Maximum actively carries out post-lending management. There will be continuous monitoring on the repayments from borrowers, regular communication with the borrowers, and regular review on credit limit of the loan granted and market value of the borrowers' assets. Each quarter, the finance department of Golden Maximum will check whether there is any overdue repayment of principal or interest and provide a quarterly report of all outstanding loans to the credit committee of the Company. The credit committee shall inform the Board if there are any non-performing loans in the quarterly report.

(D) Loan collection

If there is an outstanding loan, Golden Maximum will have internal discussions on a case-by-case basis as to what recovery actions to take and recover the most in a timely manner. Golden Maximum will keep a close contact with the borrowers to keep the relevant parties informed of the current development and seek a proper solution to resolve the issue. Where appropriate, a reminder letter and a statutory reminder letter will be issued to the borrower. Where appropriate, legal action will be brought against the borrower to recover the amount due and take possession of the borrower's assets. Seizure of the borrower's assets and liquidation of underlying assets will also be done. Where appropriate, Golden Maximum will also apply to the court to wind up the borrower and/or guarantor.

(E) Determination of terms of unsecured loans

When determining the terms of unsecured loans, Golden Maximum will place particular focus on the terms of interest rate and repayment.

Interest rate:

The base interest rate comprises the cost of funds, operational costs and the minimum rate of return desired. The further spread will take into account the factors in the ability to make repayments of the potential borrower in the form of risk premium, including:

(a) Credit rating: Before accepting any new borrower, Golden Maximum uses an internal credit rating system to assess the potential borrower's credit quality and defines credit limits for the new borrower. The internal credit rating system is a matrix of factors by performing background search and considering historical creditworthiness information and industry recognition;

(b) Repayment history: If a potential borrower already has a loan account with Golden Maximum, the performance of the borrower on the existing repayments shall be evaluated; and

(c) Amount applied and tenor of the loan: The interest rate shall also factor in the amount of loan and the number of months that the loan shall be repaid in.

Repayment:

The borrower shall repay all the outstanding principal together with interest upon demand.

CAPITAL EXPENDITURE AND COMMITMENTS

As at 31 March 2024, the Group had no commitment (as at 31 March 2023: nil) in respect of the acquisition of new plant and equipment and no significant capital commitments.

As at the date of this announcement, the Group had no plan for any material investment or capital assets.

CHARGES ON ASSETS

As at 31 March 2024 the Group had no pledged assets (as at 31 March 2023: nil).

DIVIDENDS

The Board has resolved not to declare any final dividend for the year ended 31 March 2024 (for the year ended 31 March 2023: nil).

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any material contingent liabilities (as at 31 March 2023: nil).

EVENTS AFTER THE REPORTING PERIOD

There is no significant event affecting the Group which has occurred after the Reporting Period.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "**Share Option Scheme**") on 2 June 2010 which became effective upon the Company's shares being listed on the Stock Exchange on 5 October 2010. The purpose of the Share Option Scheme is to provide incentives and rewards to eligible participants, including eligible Directors, eligible employees and any other eligible persons, for their contributions to the Group.

Subject to the terms and conditions of the Share Option Scheme, the total number of Shares Options that may be issued upon the exercise of all options granted under the Share Option Scheme and any other share option schemes of the Company shall be re-set at 10% of the shares in issue as at the date of the approval of the limit as "refreshed".

The aggregate number of shares issuable under the share options granted on 16 January 2018 under the share option Scheme was 22,068,000 shares, representing approximately 3.36% of the then-issued share capital of the Company. The Company obtained a fresh approval of the scheme limit under the Share Option Scheme in an annual general meeting held on 28 September 2018. Details of the share options of the Company granted, exercised, lapsed and cancelled pursuant to the Share Option Scheme during the year ended 31 March 2024 were as follows:

Name of Grantee	Date of grant	Exercise Price (HK$)	Exercise period	Vesting period	Number of shares issuable under the share options As at 1 April 2023	Granted during the year	Exercised during the year	Lapsed/ cancelled during the year	As at 31 March 2024
Mr. Lam Kai Yeung	16/01/2018	0.854 per share	16/01/2018- 15/01/2028	16/01/2018- 15/01/2028	5,192,000	–	–	–	5,192,000
Other participants in aggregate	16/01/2018	0.854 per share	16/01/2018- 15/01/2028	16/01/2018- 15/01/2028	15,576,000	–	–	–	15,576,000

None of the share options was granted, exercised, lapsed and cancelled under the Share Option Scheme throughout the year ended 31 March 2024 and up to the date of this announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

CORPORATE GOVERNANCE PRACTICES

The Company had complied with all the code provisions ("**Code Provisions**") under the Corporate Governance Code as contained in Part 2 of Appendix C1 to the Listing Rules ("**CG Code**") throughout the year ended 31 March 2024, except for the following deviations:

Code Provision C.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The roles of the chairman of the Board and the chief executive officer of the Company are separate and performed by Mr. Zhi Hua and Mr. Lam Kai Yeung respectively from 13 September 2017 to 31 July 2020. Following the retirement of Mr. Zhi Hua as a Director on 31 July 2020, the role of chairman of the Board was suspended. The Board does not have the intention to fill the position of chairman of the Board at present and believes that the absence of a chairman of the Board will not have adverse effect to the Company as decisions of the Company will be made collectively by the Board.

Under Code Provision D.2.5, the Group should have an internal audit function. However, due to the size of the Group and for cost effectiveness consideration, the Group currently does not have an internal audit function. Instead, the Audit Committee has a review of the internal control system annually. The review covers major financial, operational controls on rotation basis and also the risk management functions. No significant deficiency was identified under the current period's review and the systems were operating effectively and adequately. The Group continues to review the need for an internal audit function annually.

Code Provision F.2.2 requires that the chairman of the board of the company should attend the annual general meeting. Due to the vacancy of the chairman of the board of directors of the

Company, Mr. Lam Kai Yeung, an executive Director, acted as the chairman of 2023 annual general meeting in accordance with the bye-laws of the Company (the "**Bye-Laws**").

Under Code Provision C.1.8, the Company should arrange appropriate insurance cover in respect of legal action against its directors. Currently, the Company does not have insurance cover for legal action against its Directors. Every Director is, subject to the provisions of the applicable laws, indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities he may sustain or incur in or about the execution of his office or otherwise in relation thereto pursuant to the Bye-Laws. However, as the risk management and internal control systems of the Group is effective and constantly under review, and as all the executive Directors and management are familiar with the operation of the Group, the Company believes that the risk of the Directors being sued or getting involved in litigation in their capacity as Directors is relatively low, and hence the Company is of the view that the benefits of the insurance may not outweigh the cost.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") currently comprises three independent non-executive Directors, namely Dr. Lam Lee G. (chairman), Mr. Chan Kin and Mr. Chan Chi Yan Benny. It was established by the Board on 8 September 2010 and its duties are clearly defined in its revised written terms of reference which have been prepared and adopted according to the Code Provisions. The revised terms of reference of Audit Committee can be found in the websites of the Stock Exchange and the Company.

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong and the PRC while the Company itself is listed on the Stock Exchange.

The Audit Committee provides an important link between the Board and the Company's external auditor in matters coming within the scope of the Group's audit. It also reviews the annual and interim results of the Company prior to recommending them to the Board for approval, the effectiveness of the external and internal audit and of internal controls and risk evaluation.

During the year ended 31 March 2024, the Audit Committee has convened 2 meetings and conducted the following major work:

– reviewed the interim and annual reports of the Company together with the external auditor and management of the Company;

– reviewed the effectiveness of the risk management and internal control system together with the external auditor of the Company; and

– made recommendations to the Board on the appointment and re-appointment of the external auditor.

There was no disagreement between the Board's and the Audit Committee's view on the selection, appointment and resignation of external auditor.

The Audit Committee has reviewed the Group's audited consolidated financial statements for the year ended 31 March 2024 with the management and the external auditor of the Company and recommended its adoption to the Board.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has established a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transaction by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Having made specific enquiries to the Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the Reporting Period.

By Order of the Board
Hang Pin Living Technology Company Limited
Lam Kai Yeung
Chief Executive Officer & Executive Director

Hong Kong, 21 June 2024

As at the date of this announcement, the Board comprises Mr. Lam Kai Yeung and Mr. Zhang Kaiyuan as executive Directors; Dr. Lam Lee G, Mr. Chan Kin and Mr. Chau Chi Yan Benny as independent non-executive Directors.