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 2024

FINANCIAL HIGHLIGHTS

- Revenue was approximately HK$226.8 million for the year ended 31 March 2024, representing an increase of approximately 22.3% as compared with the year ended 31 March 2023.
- Gross profit was approximately HK$3.0 million for the year ended 31 March 2024, representing a decrease of approximately HK$0.02 million or 0.5% as compared with the year ended 31 March 2023.
- Gross profit margin decreased to approximately 1.3% for the year ended 31 March 2024 from approximately 1.6% for the year ended 31 March 2023.
- Loss attributable to owners of the Company was approximately HK$17.7 million for the year ended 31 March 2024, representing a decrease in loss of approximately HK$8.3 million or 32.0% compared to the loss attributable to owners of the Company of approximately HK$26.0 million for the year ended 31 March 2023.
- Basic loss per share amounted to approximately HK$0.10 for the year ended 31 March 2024, compared to the basic loss per share of approximately HK$0.15 for the year ended 31 March 2023.
- The Board does not recommend the payment of final dividend for the year ended 31 March 2024.

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 2024 (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 2024

	Notes	2024 HK$'000	2023 HK$'000
REVENUE	3	**226,754**	185,472
Cost of sales		**(223,734)**	(182,436)
Gross profit		**3,020**	3,036
Other income	4	**686**	1,041
Selling expenses		**(2,716)**	(2,061)
Administrative expenses		**(18,182)**	(19,251)
Impairment loss on financial assets, net		**(651)**	(1,891)
Other gains and losses, net	5	**77**	(7,060)
Finance costs	6	**(57)**	(72)
LOSS BEFORE TAX	7	**(17,823)**	(26,258)
Income tax (expense)/credit	8	**(64)**	178
LOSS FOR THE YEAR		**(17,887)**	(26,080)
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods — Exchange differences on translation of foreign operations		**(879)**	(2,049)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		**(879)**	(2,049)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(18,766)**	(28,129)
Loss for the year attributable to:			
Owners of the Company		**(17,724)**	(25,966)
Non-controlling interests		**(163)**	(114)
		(17,887)	(26,080)

	Notes	**2024** HK$'000	2023 HK$'000
Total comprehensive loss for the year attributable to:			
Owners of the Company		**(18,603)**	(28,015)
Non-controlling interests		**(163)**	(114)
		(18,766)	(28,129)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
— Basic and diluted	*10*	**HK$(0.10)**	HK$(0.15)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	**2024** **HK$'000**	2023 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**930**	1,463
Intangible assets		**724**	724
Right-of-use assets		**864**	1,223
Financial assets at fair value through profit or loss		**26,061**	26,185
Prepayments, deposits and other receivables		**735**	1,375
Total non-current assets		**29,314**	30,970
CURRENT ASSETS			
Inventories		**12,957**	10,377
Trade receivables	*11*	**11,030**	609
Prepayments, deposits and other receivables		**2,495**	6,052
Cash and bank balances		**36,394**	62,648
Total current assets		**62,876**	79,686
CURRENT LIABILITIES			
Trade and other payables and accruals	*12*	**7,483**	6,817
Lease liabilities		**565**	734
Tax payables		**360**	360
Total current liabilities		**8,408**	7,911
NET CURRENT ASSETS		**54,468**	71,775
NON-CURRENT LIABILITIES			
Lease liabilities		**338**	544
Deferred tax liabilities		**106**	106
Total non-current liabilities		**444**	650
Net assets		**83,338**	102,095
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*13*	**863**	863
Reserves		**80,502**	99,096
		81,365	99,959
Non-controlling interests		**1,973**	2,136
Total equity		**83,338**	102,095

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

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 2024, 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 Chinese Mainland.

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 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, 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 2024. 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 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 the related assets, liabilities, any non-controlling interest and exchange fluctuation reserve; and recognises the fair value of any investment retained and 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 new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 17	*Insurance Contracts*
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*

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

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has disclosed the material accounting policy information in note 3 to the financial statements. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Upon the application of the amendments, the Group has determined the temporary differences arising from the right-of-use assets and lease liabilities separately. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under HKAS 12.

(d) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. The amendments did not have any impact on the Group's financial statements.

2.3 Issued but not yet effective HKFRSs

The Group has not applied the following revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these revised HKFRSs, if applicable, when they become effective.

Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*[1, 4]
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*[1, 4]
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*[1]
Amendments to HKAS 21	*Lack of Exchangeability*[2]

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 No mandatory effective date yet determined but available for adoption
4 As a consequence of the 2020 Amendments and 2022 Amendments, Hong Kong Interpretation 5 *Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause* was revised to align the corresponding wording with no change in conclusion

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of HKFRS 16 (i.e., 1 April 2019). Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period. The amendments shall be applied retrospectively with early application permitted. An entity that applies the 2020 Amendments early is required to apply simultaneously the 2022 Amendments, and vice versa. The Group is currently assessing the impact of the amendments. Based on a preliminary assessment, the amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Earlier application of the amendments is permitted. The amendments provide certain transition reliefs regarding comparative information, quantitative information as at the beginning of the annual reporting period and interim disclosures. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.

3. REVENUE AND SEGMENT INFORMATION

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

	2024	2023
	HK$'000	*HK$'000*
Revenue recognised at a point in time		
— Sales of jewellery products	**140,198**	47,903
— Sales of precious metals and raw jewellery materials	**86,556**	137,569
	226,754	185,472

(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.

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**91,997**	150,158
Chinese Mainland	**134,757**	35,314
	226,754	185,472

(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.

	2024	2023
	HK$'000	*HK$'000*
Hong Kong	**2,261**	3,407
Chinese Mainland	**257**	3
	2,518	3,410

The Company is domiciled in the Cayman Islands while the Group operates its business in Hong Kong and Chinese Mainland. During the years ended 31 March 2024 and 2023, 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:

	2024	2023
	HK$'000	*HK$'000*
Customer A	**100,801**	–
Customer B	**82,224**	134,482

(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 (2023: 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 (2023: 120 days) from delivery for major customers.

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 (2023: 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 2024 and 2023 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

	2024	2023
	HK$'000	*HK$'000*
Government grants*	**23**	281
Interest income from bank deposits	**467**	694
Others	**196**	66
	686	1,041

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

5. OTHER GAINS AND LOSSES, NET

	2024	2023
	HK$'000	*HK$'000*
Fair value losses on financial assets at fair value through profit or loss, net	**124**	7,422
Losses on disposal of property, plant and equipment, net	**–**	4
Losses on disposal of intangible assets, net	**–**	209
Loss on lease termination	**44**	63
Foreign exchange differences, net	**(245)**	(638)
Other (gains)/losses, net	**(77)**	7,060

6. FINANCE COSTS

	2024	2023
	HK$'000	*HK$'000*
Interest on lease liabilities	**57**	72

7. LOSS BEFORE TAX

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

		2024	2023
	Notes	***HK$'000***	*HK$'000*
Cost of inventories sold		**224,784**	182,430
Employee benefits (including directors' remuneration)		**10,237**	8,944
Salaries and other benefits		**9,859**	8,701
Pension scheme contributions		**378**	243
Depreciation of property, plant and equipment		**970**	924
Depreciation of right-of-use assets		**701**	606
Fair value losses on financial assets at fair value through profit or loss, net		**124**	7,422
Auditors' remuneration		**1,590**	1,559
Auditor of the Company		**1,500**	1,500
Other auditors		**90**	59
Lease payments not included in the measurement of lease liabilities		**209**	420
Write-down/(reversal of write-down) of inventories to net realisable value	*(i)*	**(565)**	567
Impairment loss on financial assets, net		**651**	1,891

(i) The reversal of write-down of inventories to net realisable value of HK$565,000 for the year ended 31 March 2024 (2023: write-down of inventories to net realisable value of HK$567,000) is included in "cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

8. INCOME TAX EXPENSE/(CREDIT)

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

	2024	2023
	HK$'000	*HK$'000*
Current — Hong Kong		
Charge for the year	**–**	–
Current — Chinese Mainland		
Charge for the year	**13**	7
Under/(over)-provision in prior years	**51**	(185)
Total tax expense/(credit) for the year	**64**	(178)

(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% (2023: 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 2024 (2023: 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 2024 and 2023.

(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 Chinese Mainland. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by the subsidiaries established in Chinese Mainland to foreign shareholders in respect of earnings generated. As of 31 March 2024 and 2023, the directors of the Company estimated that the retained earnings of the PRC subsidiaries would be retained in Chinese Mainland 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 2024, the aggregate amount of temporary differences associated with investments in subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised amounted to HK$725,000 (2023: HK$1,218,600).

9. DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 March 2024 (2023: Nil).

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

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company, and the weighted average number of ordinary shares outstanding during the year.

For the year ended 31 March 2024, the effects of all outstanding share options and share awards were excluded from the computation of diluted loss per share as their effects were anti-dilutive.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 March 2023.

11. TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**11,030**	609
Less: Allowance for doubtful accounts	**–**	–
	11,030	609

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 2024 were non-interest-bearing.

The gross trade receivables at 31 March 2024, 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 expected credit losses as at 31 March 2024 and 2023 were considered to be minimal.

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

	2024	2023
	HK$'000	*HK$'000*
At the beginning of the year	**–**	–
Reversal of impairment losses, net	**–**	–
Amount written off as uncollectible	**–**	–
Exchange realignment	**–**	–
At the end of the year	**–**	–

12. TRADE AND OTHER PAYABLES AND ACCRUALS

	2024	2023
	HK$'000	*HK$'000*
Trade payables	**11**	22
Other payables and accruals:		
Salaries and bonus payables	**59**	59
Auditor's remuneration	**1,599**	1,612
Others	**5,814**	5,124
	7,483	6,817

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

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**–**	–
1 to 2 months	**–**	–
2 to 3 months	**–**	–
Over 3 months	**11**	22
	11	22

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

	2024	2023
	HK$'000	*HK$'000*
Authorised:		
2,000,000,000 ordinary shares with par value of HK$0.005 each	**10,000**	10,000
Issued and fully paid:		
172,600,000 ordinary shares with par value of HK$0.005 each	**863**	863

14. COMMITMENTS

At 31 March 2024 and 2023, 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 jewelleries to jewellery wholesalers, retailers and high-net-worth customers mainly in Hong Kong and Chinese Mainland. 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 post-pandemic era in 2023, the global economy continued to face severe challenges, including expanding debt crises in different regions, persistent inflation in various countries, and tense geopolitical situations, among other downward risks. Our group was not immune to the global turmoil and had to confront the adverse impacts of rising interest rates and depreciation of the Chinese yuan. Given the uncertain macroeconomic outlook, gold was seen as a reliable store of value, and the demand for gold jewellery far outweighed that for natural gems and other jewellery. In response to changes in customer consumption behavior, our group focused more on the gold jewellery business in the current year, albeit with lower profit margins.

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 the Chinese Mainland market, resulting in a significant increase in sales.

In addition to online sales, we also focus on online brand promotion and digital marketing. We promote our brand and products through online platforms and social media to increase our visibility and influence. We believe that these efforts will help attract more consumers to our brand and products, thereby increasing our sales and profits.

On 23 September 2023, we achieved a new breakthrough in our business. Our group has reached a collaboration agreement with Sichuan Luyizun Yuan Liquor Industry Co., Ltd.* to launch the "Golden silver cups, Lantian jade carafe, Luzhou, Yibin, Zunyi. Vessels of happiness, health, and good fortune" gift box series. Meticulously designed and crafted by our group, the series features the "Golden and silver cups" and the "Lantian jade carafe," accompanied by the liquor "Luyizun" produced in the core production areas of Luzhou, Yibin, and Zunyi, the famous "Baijiu Golden Triangle" in China. The series made its debut at Hong Kong International Jewellery Show in late September 2023.

We have identified fine artistic jewellery as a key business focus and are committed to expanding in this market. Through the Group's network, we have established good relationships with international and well-known auction houses in Hong Kong. We believe that the Group's focus on fine artistic jewellery design and creativity is the key to our success. Our team has extensive experience and skills and is dedicated to providing customers with the highest quality products and services. By expanding our fine artistic jewellery business, we will be able to better meet the needs of high-end consumers and better grasp market trends. We are eager to use high-quality gemstones, innovative designs, and exquisite craftsmanship to create fine artistic jewellery products that promote our Group's brand. The Group will continue to invest in creativity and marketing resources, meticulously building our fine artistic jewellery brand. We will leverage online promotion and ensure excellent sales and services.

PROSPECTS

Around the beginning of 2024, economists generally lowered world growth forecasts and consumer confidence remained weak in the face of an uncertain economic outlook. At the same time, we are also aware of the impact of international trade sanctions and geopolitical tensions. In addition, the Federal Reserve's interest rate hike cycle and the reduction of bond purchases may also affect our business. Therefore, we need to remain vigilant, adjust our strategies and plans in a timely manner to respond to market changes.

The increasing proportion of gold jewellery in our sales mix inevitably puts downward pressure on gross profit margin. To maintain a healthy margin, we will spare no efforts to create products that will command higher margins.

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.

Given the increasing popularity of Augmented Reality (AR) and blockchain applications for commercial purposes, the Group may identify appropriate opportunities to develop service platforms using new technologies to increase its service offerings and strengthen its profitability. These services include but are not limited to providing a one-stop virtual platform for jewellery sales. The funding for this plan will mainly come from the Company's reserves.

We will also focus on human resources management and development, and actively invite experienced professionals from the jewellery industry and blockchain talent to join our operational team to further enhance the company's overall competitiveness. We will continue to optimize our corporate strategy, cultivate a strong corporate culture, and create long-term value for our stakeholders.

FINANCIAL REVIEW

	For the year ended 31 March	
	2024	2023
Revenue (HK$'000)	**226,754**	185,472
Gross profit (HK$'000)	**3,020**	3,036
Gross profit margin (%)	**1.3**	1.6
Loss attributable to owners of the Company (HK$'000)	**(17,724)**	(25,966)

Revenue

The Group's revenue for the year ended 31 March 2024 was approximately HK$226.8 million, representing an increase of approximately HK$41.3 million or 22.3% compared with the year ended 31 March 2023. The increase in the Group's revenue was primarily due to the fact that the Group timely adjusted its strategy to increase the allocation of business resources for gold jewellery products and materials in the market of Chinese Mainland. The revenue from the sales in Chinese Mainland increased significantly by approximately HK$99.4 million or 281.6% compared with the year ended 31 March 2023. However, the sales revenue from Hong Kong decreased by approximately HK$58.2 million or 38.7% compared with the year ended 31 March 2023, due to the impact of market downturn.

Gross profit and gross profit margin

The Group's gross profit for the year ended 31 March 2024 was approximately HK$3.0 million, representing a decrease of approximately HK$0.02 million or 0.5% compared with the year ended 31 March 2023. Gross profit margin decreased to approximately 1.3% for the year ended 31 March 2024 from approximately 1.6% for the year ended 31 March 2023, which was mainly due to larger proportion of sales of gold jewellery products and material with lower margin to the Chinese Mainland market.

Selling expenses

The Group's selling expenses increased by approximately HK$0.6 million or 31.8% to approximately HK$2.7 million for the year ended 31 March 2024 from approximately HK$2.1 million for the year ended 31 March 2023. The increase was primarily attributable to the increase in labor costs caused by the expansion of the market in Chinese Mainland.

Administrative expenses

The Group's administrative expenses decreased by approximately HK$1.1 million or 5.6%, to approximately HK$18.2 million for the year ended 31 March 2024 from approximately HK$19.3 million for the year ended 31 March 2023. The decrease was primarily due to the optimising of resource allocation, the decline in consultancy fee, insurance expenses and depreciation expenses by approximately HK$1.1 million attributable to the strengthening of cost controls in business operation.

Finance costs

The Group's finance costs for the year ended 31 March 2024 was approximately HK$57,000, which decreased by approximately HK$15,000 or 20.8% as compared to finance costs of approximately HK$72,000 for the year ended 31 March 2023 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$17.7 million for the year ended 31 March 2024, representing a decrease of approximately HK$8.3 million or 32.0% compared to a loss of approximately HK$26.0 million for the year ended 31 March 2023. The decrease in loss attributable to owners of the Company was mainly due to the strengthening of cost controls and the decrease in fair value losses on financial assets at fair value through profit or loss ("FVPL") for the year ended 31 March 2024.

Property, plant and equipment

The net carrying amount as at 31 March 2024 was approximately HK$0.9 million, representing a decrease of approximately HK$0.6 million from that as at 31 March 2023. This was mainly due to the reason that the Group increased leasehold improvement and office equipments to approximately HK$0.4 million and net off depreciation amounted to approximately HK$1.0 million.

Financial assets at FVPL

Financial assets at FVPL amounted to approximately HK$26.1 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 2024, the loss on changes in fair value on financial assets at FVPL of approximately HK$0.1 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 2024 of approximately HK$10.4 million as compared with 31 March 2023, which was mainly due to the increase of revenue.

Liquidity and financial resources

As at 31 March 2024, the Group had current assets of approximately HK$62.9 million (2023: approximately HK$79.7 million) which comprised cash and bank balances of approximately HK$36.4 million (2023: approximately HK$62.6 million). As at 31 March 2024, the Group had non-current liabilities of approximately HK$0.4 million (2023: approximately HK$0.7 million), and the current liabilities amounted to approximately HK$8.4 million (2023: approximately HK$7.9 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 7.5 as at 31 March 2024 (2023: approximately 10.1).

Gearing ratio

The gearing ratio of the Group as at 31 March 2024 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 2024, 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 is mainly cash and bank balances. Consequently the Group had foreign exchange risk exposure from translation of amount denominated in foreign currencies as at 31 March 2024. 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 2024 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 less than HK$1,000 for the year ended 31 March 2024 (2023: loss for the year attributable to owners of the Company would have decreased/increased by approximately 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 2024. As at 31 March 2024, the capital of the Company comprises ordinary shares and capital reserves.

Capital commitments

As at 31 March 2024 and 31 March 2023, the Group had no capital commitments.

Dividend

The Board does not recommend the payment of final dividend for the year ended 31 March 2024.

No dividend has been paid or declared by the Company during the year ended 31 March 2024.

Information on employees

As at 31 March 2024, the Group had 10 employees (2023: 10). Total staff costs (including the Directors' emoluments) were approximately HK$10.2 million, as compared with approximately HK$8.9 million for the year ended 31 March 2023. 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 and share awards may be also awarded to employees according to the Group's performance as well as assessment of individual performance. For details of the share schemes of the Company, please refer to page 22 of this announcement.

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.

ADOPTION OF THE 2023 SHARE SCHEME AND TERMINATION OF THE 2015 SHARE OPTION SCHEME

The Company has adopted the share option scheme on 10 February 2015 (the "2015 Share Option 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.

During the Reporting Period, in order to provide for the potential issuance of both share options and share awards in order to broaden the types of equity incentives that the Company can utilise as part of its incentive strategy and also to ensure that the new scheme adopted shall be in compliance with the amended Chapter 17 of the Listing Rules introduced by the Stock Exchange of Hong Kong Limited (the "Stock Exchange"), which came into effect on 1 January 2023, the Board proposed the adoption of a new share incentive scheme (the "2023 Share Scheme") which was approved and adopted by the shareholders of the Company (the "Shareholders") on 14 September 2023. Immediately upon the 2023 Share Scheme taking effect, the 2015 Share Option Scheme terminated and the Company shall not grant any options under the 2015 Share Option Scheme.

As at the date of this announcement, Tricor Services Limited has been appointed to administer and implement the 2023 Share Scheme. The Listing Committee of the Stock Exchange has approved the listing of and granted permission to deal in the shares of the Company (the "Shares") to be allotted and issued pursuant to the awards.

On 28 March 2024, the Board resolved to grant 100,000 share awards to Mr. Xie Tom, representing 0.0579% of the total number of Shares as at the date of grant. Moreover, on 28 March 2024, the Board resolved to grant 1,000,000 share options to Mr. Xie Tom, 500,000 share options to Mr. Chan Wai Dune and 1,050,000 share options to 5 other individual employee participants of the 2023 Share Scheme, representing respectively 0.579%, 0.290% and 0.608% of the total number of Shares as at the date of grant.

For details of the adoption of the 2023 Share Scheme and the termination of the 2015 Share Option Scheme, please refer to the circular of the Company dated 9 August 2023 and announcement of the Company dated 14 September 2023. For details of the grant of share awards and share options pursuant to the 2023 Share Scheme by the Company, please refer to the announcement of the Company dated 28 March 2024.

Pursuant to paragraph 32(4A) of Appendix D2 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 2024 and other material investments of listed equity securities held as at 31 March 2024 are set out below:

	Place of incorporation	HK stock code	Date of acquisitions	Number of acquired shares as at 31 March 2024	Proportion of acquired shares in the total issued share capital of investee as at 31 March 2024	Cost (exclusive of transaction costs)	Principal activities	Fair value: As at 31 March 2024	Fair value: Percentage to the Group's total assets	For the year ended 31 March 2024: Unrealised gain/(loss) on change in fair value	For the year ended 31 March 2024: Dividend income
						HK$'000		HK$'000	%	HK$'000	HK$'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 5,052	Approximately 5.48	Approximately 1,799	–
(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 199	Approximately 0.22	Approximately (938)	–
(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 2,024	Approximately 2.20	Approximately (1,675)	–
Total						Approximately 78,140		Approximately 7,275	Approximately 7.90	Approximately (814)	–

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.

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 2024.

Material Acquisitions and Disposal of Subsidiaries and Affiliated Companies

Save as disclosed in the paragraph headed "Significant Investments Held" in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries or affiliated companies during the year ended 31 March 2024.

Charges of assets

As at 31 March 2024, the Group had no short-term secured borrowings (2023: Nil).

Contingent liabilities

The Group had no material contingent liabilities as at 31 March 2024 (2023: Nil).

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

During the year ended 31 March 2024, 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 4 September 2024, the register of members will be closed from 30 August 2024 to 4 September 2024, 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 30 August 2024.

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 C1 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 2024, 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 2024. As at 31 March 2024 and up to the date of this announcement, 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 C3 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 2024.

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 2024 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 2024 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 and the Company's website at www.domainepower.com. The annual report of the Company for the year ended 31 March 2024 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, 24 June 2024

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.