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KINGKEY FINANCIAL INTERNATIONAL (HOLDINGS) LIMITED

京基金融國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01468)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2024

The board of Directors (the “**Board**”) presents the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2024 together with comparative figures for the corresponding year in 2023, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	3	330,417	331,313
Cost of sales		(236,088)	(208,621)
Gross profit		94,329	122,692
Other income		28,497	36,281
Other gains and losses, net	5	16,013	(9,051)
Fair value change in contingent consideration payables		122,220	(1,009,876)
Impairment loss on goodwill		(228,298)	(106,814)
Impairment loss on intangible assets		(491,597)	–
Impairment loss on right-of-use assets		(1,997)	–
Loss on deemed disposal of an associate		(572)	–
Provision for impairment of loan receivables, net		(35,932)	(3,373)
Provision for impairment of trade receivables, net		(85,318)	(9,689)
Provision for impairment of other receivables and deposits, net		(585)	–
Selling and distribution expenses		(492)	(530)
Administrative expenses		(234,094)	(162,942)
Finance costs		(11,330)	(14,637)
Share of result of associates		5,163	(6,333)

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Loss before tax	6	(823,993)	(1,164,272)
Income tax credit	7	136,573	1,283
Loss for the year		(687,420)	(1,162,989)
Other comprehensive (expense)/income:			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of overseas operation		(483)	(1,916)
Item that will not be reclassified subsequently to profit or loss:			
Fair value changes of financial assets at fair value through other comprehensive income		19,002	(1,475)
Other comprehensive income/(expense) for the year, net of tax		18,519	(3,391)
Total comprehensive expense for the year		(668,901)	(1,166,380)
Loss for the year attributable to:			
Owners of the Company		(551,252)	(1,158,455)
Non-controlling interests		(136,168)	(4,534)
		(687,420)	(1,162,989)
Total comprehensive expense for the year attributable to:			
Owners of the Company		(532,391)	(1,161,781)
Non-controlling interests		(136,510)	(4,599)
		(668,901)	(1,166,380)
Loss per share for loss attributable to owners of the Company			
Basic	9	(7.47) cents	(17.16) cents
Diluted		(7.47) cents	(17.16) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		8,974	12,199
Right-of-use assets		6,095	8,578
Goodwill		7,452	235,750
Intangible assets		12,070	580,241
Investments in associates		13,582	74,055
Financial assets at fair value through profit or loss		150,557	66,060
Financial assets at fair value through other comprehensive income		22,729	1,775
Loan receivables	11	–	90
Deposits	10	1,924	1,192
		223,383	979,940
Current assets			
Financial assets at fair value through profit or loss		25	22
Inventories		26,979	46,290
Trade and other receivables, prepayments and deposits	10	131,969	367,263
Loan receivables	11	167,304	86,817
Amounts due from related companies		3,052	3,177
Tax recoverable		1,170	1,773
Pledged bank deposits		–	35,000
Bank balances held on behalf of clients		194,167	152,974
Bank balances and cash		118,552	111,051
		643,218	804,367

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current liabilities			
Trade and other payables	12	278,628	236,298
Contingent consideration payables		–	819,327
Tax payables		6,100	11,882
Bank and other borrowings		38,329	86,775
Lease liabilities		5,460	3,561
Amount due to a related company		294	50
Amount due to a former director		34	977
Amount due to a shareholder		16,625	6,500
Corporate bonds		75,982	73,434
		<u>421,452</u>	<u>1,238,804</u>
Net current assets/(liabilities)		<u>221,766</u>	<u>(434,437)</u>
Total assets less current liabilities		<u>445,149</u>	<u>545,503</u>
Non-current liabilities			
Lease liabilities		2,981	5,439
Corporate bonds		36,817	34,599
Deferred tax liabilities		336	131,627
		<u>40,134</u>	<u>171,665</u>
Net assets		<u>405,015</u>	<u>373,838</u>
Capital and reserve			
Share capital	13	76,300	71,773
Reserves		329,797	168,764
Equity attributable to owners of the Company		406,097	240,537
Non-controlling interests		(1,082)	133,301
Total equity		<u>405,015</u>	<u>373,838</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2024

1. GENERAL

Kingkey Financial International (Holdings) Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 20 March 2015.

The address of the registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business is located at 902, Harbour Centre, Tower 2, 8 Hok Cheung Street, Hunghom, Kowloon, Hong Kong.

The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are provision of securities brokerage, insurance brokerage, assets management services, money lending services and provision of agency service related to trading in Hong Kong, fur skin brokerage and sale of pelted skin in Denmark, network and licensing business, membership and event business and insurance technology business in the People’s Republic of China (the “**PRC**”).

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company. In addition, the functional currencies of group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

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 Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to 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

Except as described below, the application of these new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendment to HKAS 1

In accordance with the guidance set out in the amendments, 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.

Amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1	Non-current Liabilities with Covenant ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement ¹
Amendments to HKAS 21	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, earlier application is permitted

² Effective for annual periods beginning on or after 1 January 2025, earlier application is permitted

³ Effective date to be determined

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

3. REVENUE

During the year, the Group's revenue representing the amount received and receivable from its operating businesses, net of discount, are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from contracts with customers		
Insurance brokerage services income	89,697	47,237
Commission income from		
– securities brokerage	3,212	1,803
– underwriting, sub-underwriting, placing and sub-placing	299	908
Brokerage of fur skin	91	74
Sale of pelted skin	33,141	11,154
Fund management services income	2,219	1,200
Assets management services income	11,964	4,423
Membership business income	26,794	56,161
Insurance technology service income	68,776	70,109
Network and licensing business income	51,935	85,600
Agency fee from trading	352	–
Revenue from other sources		
Interest income from margin financing services	24,403	26,979
Interest income from money lending services	17,534	25,665
	<u>330,417</u>	<u>331,313</u>

Note: Commission and services income from insurance brokerage, securities brokerage, underwriting, sub-underwriting, placing and sub-placing, insurance technology, network and licensing business and brokerage of fur skin, sale of pelted skin and agency fee from trading are recognised at point in time. Service income from fund management and asset management and membership business income are recognised over time.

4. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

During the year, the Group commenced the business engaging in provision of agency service related to trading business, and it is considered as new operating and reportable segments.

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

Securities	–	Provision of securities brokerage, margin financing, underwriting, sub-underwriting, placing, sub-placing and consultancy services
Insurance brokerage	–	Provision of insurance brokerage services
Fur	–	Sale of pelted skin and fur skin brokerage
Assets management	–	Provision and arrangement of fund management services and assets management services
Money lending	–	Provision and arrangement of money lending services
Membership and event	–	Carrying out membership business and event hosting business
Insurance technology	–	Development and operations of intelligent digital sales platforms and information technology services related to insurance business
Network and licensing	–	Provision of multi channel network and licensing service
Trading	–	Provision of agency service related to trading

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

For the year ended 31 March 2024

	Securities HK\$'000	Insurance brokerage HK\$'000	Fur management HK\$'000	Assets management HK\$'000	Money lending HK\$'000	Membership and event HK\$'000	Insurance technology HK\$'000	Network and licensing HK\$'000	Trading HK\$'000	Total HK\$'000
Revenue	<u>27,914</u>	<u>89,697</u>	<u>33,232</u>	<u>14,183</u>	<u>17,534</u>	<u>26,794</u>	<u>68,776</u>	<u>51,935</u>	<u>352</u>	<u>330,417</u>
RESULTS										
Segment operating results	23,819	(6,344)	(3,209)	6,222	15,641	16,739	(973)	902	338	53,135
Amortisation of intangible assets	-	-	-	-	-	(93,992)	(3,944)	-	-	(97,936)
Impairment loss on intangible assets	-	-	-	-	-	(491,597)	-	-	-	(491,597)
Impairment loss on goodwill	-	-	-	-	-	(228,298)	-	-	-	(228,298)
Impairment of right-of-use assets	-	-	-	-	-	(1,997)	-	-	-	(1,997)
Provision of impairment of trade receivables, net	(77,918)	-	-	-	-	(2,771)	(81)	(289)	(4,259)	(85,318)
Provision of impairment of other receivables and deposits, net	-	-	(367)	-	-	-	-	-	-	(367)
Provision for impairment of loan receivables, net	-	-	-	-	(35,932)	-	-	-	-	(35,932)
Segment results	(54,099)	(6,344)	(3,576)	6,222	(20,291)	(801,916)	(4,998)	613	(3,921)	(888,310)
Other gains and losses, net										16,013
Fair value change of contingent consideration payables										122,220
Provision for impairment of other receivables and deposits, net										(218)
Finance costs										(11,330)
Share result of associates										5,163
Unallocated corporate income										102
Unallocated corporate expenses										(67,633)
Loss before tax										(823,993)
Income tax credit										136,573
Loss for the year										<u>(687,420)</u>

	Securities HK\$'000	Insurance brokerage HK\$'000	Fur management HK\$'000	Assets management HK\$'000	Money lending HK\$'000	Membership and event HK\$'000	Insurance technology HK\$'000	Network and licensing HK\$'000	Trading HK\$'000	Total HK\$'000
ASSETS										
Segment assets	257,014	3,087	20,698	2,141	167,304	8,770	20,687	21,014	7,814	508,529
Unallocated corporate assets										358,072
Total assets										<u>866,601</u>
LIABILITIES										
Segment liabilities	204,567	7,144	-	1,210	1,000	5,297	746	5,869	-	225,833
Unallocated corporate liabilities										235,753
Total liabilities										<u>461,586</u>

Other information

	Securities HK\$'000	Insurance brokerage HK\$'000	Fur management HK\$'000	Assets management HK\$'000	Money lending HK\$'000	Membership and event HK\$'000	Insurance technology HK\$'000	Network and licensing HK\$'000	Trading HK\$'000	Unallocated HK\$'000	Total HK\$'000
Additions of property, plant and equipment	-	18	-	-	-	-	6	-	-	-	24
Additions of intangible assets	-	-	-	-	-	21,500	-	-	-	-	21,500
Write down of inventories	-	-	(728)	-	-	-	-	-	-	-	(728)
Impairment loss on intangible assets	-	-	-	-	-	(491,597)	-	-	-	-	(491,597)
Impairment loss on goodwill	-	-	-	-	-	(228,298)	-	-	-	-	(228,298)
Impairment loss on property, plant and equipment	-	-	(2,058)	-	-	-	-	-	-	-	(2,058)
Impairment loss on right-of-use assets	-	-	-	-	-	(1,997)	-	-	-	-	(1,997)
Provision for impairment of trade receivables, net	(77,918)	-	-	-	-	(2,771)	(81)	(289)	(4,259)	-	(85,318)
Provision of impairment of other receivables and deposits, net	-	-	(367)	-	-	-	-	-	-	(218)	(585)
Provision for impairment of loan receivables, net	-	-	-	-	(35,932)	-	-	-	-	-	(35,932)
Amortisation of intangible assets	-	-	-	-	-	(93,992)	(3,944)	-	-	-	(97,936)
Depreciation of property, plant and equipment	(173)	(576)	-	(16)	-	(47)	(11)	-	-	(244)	(1,067)
Depreciation of right- of-use assets	(57)	(2,447)	-	-	-	(922)	(244)	-	-	(38)	(3,708)
	<u>(57)</u>	<u>(2,447)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(922)</u>	<u>(244)</u>	<u>-</u>	<u>-</u>	<u>(38)</u>	<u>(3,708)</u>

For the year ended 31 March 2023

	Securities HK\$'000	Insurance brokerage HK\$'000	Fur HK\$'000	Assets management HK\$'000	Money lending HK\$'000	Membership and event HK\$'000	Insurance technology HK\$'000	Network and licensing HK\$'000	Total HK\$'000
Revenue	<u>29,690</u>	<u>47,237</u>	<u>11,228</u>	<u>5,623</u>	<u>25,665</u>	<u>56,161</u>	<u>70,109</u>	<u>85,600</u>	<u>331,313</u>
RESULTS									
Segment operating results	19,469	907	(3,040)	3,753	19,543	43,854	(747)	1,400	85,139
Bad debts	-	-	-	-	-	(1,224)	-	-	(1,224)
Amortisation of intangible assets	-	-	-	-	-	(37,523)	(3,292)	-	(40,815)
Impairment loss on goodwill	(106,814)	-	-	-	-	-	-	-	(106,814)
Provision of impairment of trade receivables, net	(9,635)	-	-	-	-	(54)	-	-	(9,689)
Provision for impairment of loan receivables, net	-	-	-	-	(3,373)	-	-	-	(3,373)
Segment results	(96,980)	907	(3,040)	3,753	16,170	5,053	(4,039)	1,400	(76,776)
Other gains and losses, net									(9,051)
Fair value change of contingent consideration payables									(1,009,876)
Finance costs									(14,637)
Share result of associates									(6,333)
Unallocated corporate income									4,320
Unallocated corporate expenses									(51,919)
Loss before tax									(1,164,272)
Income tax credit									1,283
Loss for the year									<u>(1,162,989)</u>
ASSETS									
Segment assets	429,654	6,092	57,185	1,066	86,907	812,587	23,097	25,600	1,442,188
Unallocated corporate assets									342,119
Total assets									<u>1,784,307</u>
LIABILITIES									
Segment liabilities	225,088	8,436	12,523	-	2,500	135,941	458	34,000	418,946
Unallocated corporate liabilities									991,523
Total liabilities									<u>1,410,469</u>

Other information

	Securities HK\$'000	Insurance brokerage HK\$'000	Fur management HK\$'000	Assets management HK\$'000	Money lending HK\$'000	Membership and event HK\$'000	Insurance technology HK\$'000	Network and licensing HK\$'000	Unallocated HK\$'000	Total HK\$'000
Additions of property, plant and equipment	-	-	-	-	-	3	-	-	9	12
Write down of inventories	-	-	(4,992)	-	-	-	-	-	-	(4,992)
Impairment loss on goodwill	(106,814)	-	-	-	-	-	-	-	-	(106,814)
Provision for impairment of trade receivables, net	(9,635)	-	-	-	-	(54)	-	-	-	(9,689)
Provision for impairment of loan receivables, net	-	-	-	-	(3,373)	-	-	-	-	(3,373)
Amortisation of intangible assets	-	-	-	-	-	(37,523)	(3,292)	-	-	(40,815)
Depreciation of property, plant and equipment	(1,057)	(1,262)	-	(16)	-	(211)	(25)	-	(248)	(2,819)
Depreciation of right- of-use assets	-	(1,836)	(68)	-	-	(1,628)	-	-	-	(3,532)

Segment results represent the result from each segment without allocation of central administration costs including directors' remuneration, other gains and losses excluded impairment of property, plant and equipment, net, share result of associates, fair value change of contingent consideration payables, unallocated other income, finance costs and income tax credit, which are reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets other than other receivables, prepayments and deposits, financial assets at FVTPL, financial assets at FVTOCI, certain property, plant and equipment, goodwill, intangible assets, amounts due from related companies, pledged bank deposit, bank balances and cash and tax recoverable are allocated to reportable segments. Assets used jointly by reportable segment are allocated on the basis of the revenues earned by individual reportable segment; and
- all liabilities other than accruals and other payables, amount due to a director/a shareholder/a related company, contingent consideration payables, corporate bonds and tax payables are allocated to reportable segments. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Geographical information

The Group mainly operates in Hong Kong, the PRC and Denmark.

The Group's revenue from external customers based on the location of operations and information about its non-current assets by geographical location of the assets are analysed as follows:

	Revenue from external customers		Non-current assets	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
The PRC	147,596	211,870	19,494	818,685
Hong Kong	149,680	108,215	19,960	81,243
Denmark	33,141	11,228	–	10,895
	<u>330,417</u>	<u>331,313</u>	<u>39,454</u>	<u>910,823</u>

Note: Non-current assets excluded financial instruments.

Information about major customers

Revenue from customers contributing 10% or more of the total revenue of the Group is as follows:

	2024 HK\$'000	2023 HK\$'000
Customer A (Segment: Network and licensing) (<i>Note b</i>)	51,700	–
Customer B (Segment: Network and licensing) (<i>Note a</i>)	–	40,000
Customer C (Segment: Insurance technology)	66,494	51,250
Customer D (Segment: Insurance brokerage) (<i>Note c</i>)	45,709	–
	<u>164,903</u>	<u>91,250</u>

Note a: Revenue from this customer contributed less than 10% of the Group's total revenue for the year ended 31 March 2024.

Note b: No revenue contributed from this customer for the year ended 31 March 2023.

Note c: Revenue from the customer contributed less than 10% of the Group's total revenue for the year ended 31 March 2023.

No other single customer contributed 10% or more to the Group's revenue for both years ended 31 March 2024 and 2023.

5. OTHER GAINS AND LOSSES, NET

An analysis of the Group's other gains and losses, net is as follows:

	2024 HK\$'000	2023 HK\$'000
Foreign exchange (loss)/gain, net	(1,487)	42
Impairment loss on property, plant and equipment	(2,058)	–
Change in fair value of financial assets at FVTPL	19,482	(9,200)
Gain on disposal of financial assets at FVTPL	76	107
	<u>16,013</u>	<u>(9,051)</u>

6. LOSS BEFORE TAX

Loss before tax has been arrived at after charging (crediting):

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Auditor's remuneration	1,193	1,379
Provision for impairment of trade receivables, net	85,318	9,689
Provision for impairment of loan receivables, net	35,932	3,373
Provision for impairment of other receivables and deposits, net	585	–
Cost of inventories recognised as expenses	84,188	97,512
Amortisation of intangible assets	97,936	40,815
Depreciation of property, plant and equipment	1,067	2,819
Depreciation of right-of-use assets	3,708	3,532
Impairment loss on property, plant and equipment	2,058	–
Write down of inventories	728	4,992
Bad debts	–	1,224
Foreign exchange loss/(gain), net	1,487	(42)
Operating lease rental for short-term leases and low value assets	5,577	7,625
Staff costs (including directors' remuneration)		
– salaries and benefits in kind	42,271	42,466
– discretionary bonus	–	–
– retirement benefits scheme contributions	1,124	1,093
	<u>1,124</u>	<u>1,093</u>

7. INCOME TAX CREDIT

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax		
Current year provision	1,275	4,873
Over-provision in prior year	(6,598)	–
	<u>(5,323)</u>	<u>4,873</u>
PRC Enterprise Income Tax		
Current year provision	41	–
Deferred tax		
In respect of current year	(131,291)	(6,156)
Tax credit for the year	<u>(136,573)</u>	<u>(1,283)</u>

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%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Subsidiary in Denmark is subjected to Denmark Corporation Tax at 22% for the year (2023: 22%). No provision has been made for Denmark corporate tax as the tax losses brought forward from previous year exceed the estimated assessable profits for the years.

Subsidiary in the PRC is subjected to PRC enterprise income tax at a statutory rate of 25%.

8. DIVIDENDS

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

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to owners of the Company is based on the loss attributable to owners of the Company for the year ended 31 March 2024 of HK\$551,252,000 (2023: HK\$1,158,455,000) and the weighted average number of 7,382,350,353 ordinary shares (2023: number of 6,749,366,420 ordinary shares) in issue during the year.

Diluted loss per share

No adjustment was made in calculating the diluted loss per share for both years ended 31 March 2024 and 2023 as there was no potential ordinary shares in issues outstanding.

10. TRADE AND OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2024 HK\$'000	2023 HK\$'000
Trade receivables from:		
Securities brokerage business (<i>Note a</i>)		
– Cash clients	4	116
– Margin clients	157,295	270,146
– Clearing house	11,396	27
– Brokers	6	6
	<u>168,701</u>	<u>270,295</u>
Assets management business (<i>Note b</i>)	2,109	1,018
Network licensing, insurance technology and trading business (<i>Note c</i>)	19,695	25,600
Membership and event business (<i>Note d</i>)	11,551	17,053
	<u>202,056</u>	<u>313,966</u>
Less: Provision for impairment of trade receivables	<u>(114,664)</u>	<u>(29,346)</u>
	<u>87,392</u>	<u>284,620</u>
Prepayments	9,850	22,347
Deposits	7,591	20,937
Bond interest receivable	–	1,021
Other receivables (<i>Note e</i>)	29,645	39,530
Less: Provision for impairment of deposits and other receivables	<u>(585)</u>	<u>–</u>
	<u>46,501</u>	<u>83,835</u>
	<u>133,893</u>	<u>368,455</u>
Analysis for reporting purpose as:		
Current assets	131,969	367,263
Non-current assets – deposits	1,924	1,192
	<u>133,893</u>	<u>368,455</u>

Notes:

- (a) The settlement terms of trade receivables arising from the business of dealing in securities are two days after the trade date.

Cash clients

Cash clients are required to place cash deposits as prescribed in the Group's credit policy before execution of any purchase transactions. For overdue receivables, the management ensures that the listed securities belonging to clients in which the Group holds as custodian are sufficient to cover the amounts due to the Group.

Margin clients

The Group maintains a list of approved securities held as collaterals for margin lending at a specified loan-to-collateral ratio. The credit facility limits granted to margin clients are determined by the discounted value of the securities collaterals accepted by the Group's management. A margin call may occur when the balances of the outstanding receivables from margin clients exceed the permitted margin loan limit, or when the discounted value of the collateral securities is less than the balances due from margin clients.

As at 31 March 2024, the fair value of the pledged securities held by the Group amounted to HK\$194,384,000 (2023: HK\$1,091,043,000).

Clearing house

Trade receivables from a clearing house represents outstanding balance pending to be settled arising from the business of dealing in securities, which are normally due within two trading days after the trade date.

- (b) The Group allows a credit period ranging from 0 day to 90 days to its customers from the business of assets management.
- (c) The Group allows a credit period ranging from 0 day to 90 days to the customers from network and licensing business, insurance technology business and trading business.
- (d) No credit period for the customers from membership and event business.
- (e) The other receivables included HK\$19,572,000 which from Copenhagen Fur (for auction house) (2023: HK\$30,000,000 which is the balance of the disposal of the convertible bond receivable).

The aging analysis of the Group's trade receivables from the business of securities, net of allowance for ECL, are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Margin clients balances:		
No due date	<u>50,085</u>	<u>240,854</u>
Cash clients balances:		
Neither past due nor impaired	–	–
Past due but not impaired	<u>4</u>	<u>116</u>
	<u>4</u>	<u>116</u>
Other balances:		
Neither past due nor impaired	11,396	27
Past due but not impaired	<u>6</u>	<u>6</u>
	<u>11,402</u>	<u>33</u>
	<u>61,491</u>	<u>241,003</u>

Provision of ECL allowance of trade receivables from the business of securities is as follow:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance at beginning of the year	29,292	19,657
Provision for impairment under ECL	79,005	9,688
Recovery during the year	<u>(1,087)</u>	<u>(53)</u>
Balance at end of the year	<u>107,210</u>	<u>29,292</u>

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted and subsequent settlement after the end of the reporting period. In the opinion of the directors of the Company, there is no further credit provision required in excess of the allowance for ECL.

The aging analysis of the Group's trade receivables from the business of assets management, net of allowance for ECL, based on invoice dates are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–60 days	2,109	1,017
61–90 days	–	–
Over 90 days	<u>–</u>	<u>1</u>
	<u>2,109</u>	<u>1,018</u>

Receivables were related to customers for whom there was no recent history of default. As at 31 March 2024, the Group has assessed the recoverability of the receivables that were past due and considered any change in the credit quality of the trade receivables from the date when credit was initially granted and subsequent settlement after the end of the reporting period. In the opinion of the directors of the Company, no allowance for ECL has been recognised because there has not been a significant change in credit quality of these debtors and the amounts are still considered recoverable based on the good payment record of the customers and subsequent settlement after the end of the reporting period.

The aging analysis of the Group's trade receivables from the business of membership and event, net of allowance for ECL, based on invoice dates are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–60 days	1,449	10,020
61–90 days	489	2,372
Over 90 days	<u>6,788</u>	<u>4,607</u>
	<u>8,726</u>	<u>16,999</u>

Provision of ECL allowance of trade receivables from the business of membership and event is as follow:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance at beginning of the year	54	–
Provision for impairment under ECL	2,825	54
Recovery during the year	<u>(54)</u>	<u>–</u>
Balance at end of the year	<u>2,825</u>	<u>54</u>

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted and subsequent settlement after the end of the reporting period.

The aging analysis of the Group's trade receivables from the business of network and licensing, insurance technology and trading, net of allowance for ECL, based on invoice dates are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–60 days	1,238	25,600
61–90 days	–	–
Over 90 days	<u>13,828</u>	<u>–</u>
	<u>15,066</u>	<u>25,600</u>

Provision of ECL allowance of trade receivables from business of network and licensing, insurance technology and trading is as follow:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance at beginning of the year	–	–
Provision for impairment under ECL	<u>4,629</u>	<u>–</u>
Balance at end of the year	<u><u>4,629</u></u>	<u><u>–</u></u>

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted and subsequent settlement after the end of the reporting period.

11. LOAN RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loans from money lending business – unsecured	86,817	51,311
Loans from money lending business – secured	112,190	38,100
Interest receivables	<u>9,756</u>	<u>3,023</u>
	208,763	92,434
Less: Provision for impairment	<u>(41,459)</u>	<u>(5,527)</u>
	<u><u>167,304</u></u>	<u><u>86,907</u></u>
Analysed as		
Current	167,304	86,817
Non-current	<u>–</u>	<u>90</u>
	<u><u>167,304</u></u>	<u><u>86,907</u></u>

The Group offered a credit period ranging from 3 months to 2 years for the loans to its customers in money lending business with fixed interest rate ranging from 10% p.a. to 48% p.a. (2023: from 10% p.a. to 48% p.a.). The Group maintains strict control over its outstanding loans to minimise credit risk. Overdue balance are reviewed regularly by the management.

The following is an aging analysis of the Group's loan receivables by age, presented based on the due date and net of allowance for ECL at 31 March 2024 and 2023:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
No past due	132,378	85,690
Overdue by:		
1–30 days	9,340	312
31–60 days	8,150	–
61–90 days	181	–
Over 90 days	17,255	905
	<u>167,304</u>	<u>86,907</u>

Analysis of the ECL allowance of loan receivables is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Balance at beginning of the year	5,527	2,154
Recovered during the year	(1,420)	(389)
Provision for the year	37,352	3,762
	<u>41,459</u>	<u>5,527</u>

12. TRADE AND OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Trade payables from:		
Securities brokerage business (<i>Note a</i>)		
– Cash clients	31,980	29,135
– Margin clients	171,710	124,453
– Clearing house	–	1,500
	<u>203,690</u>	<u>155,088</u>
Membership and event business (<i>Note b</i>)	3,309	1,701
Network and licensing business (<i>Note b</i>)	5,869	34,000
Assets management business (<i>Note b</i>)	1,210	–
Insurance brokerage business (<i>Note b</i>)	3,789	2,507
	<u>217,867</u>	<u>193,296</u>
Other payables:		
Accruals	3,214	3,160
Corporate bonds interest payable	2,206	1,692
Other loan interest payable	1,577	109
Amount due from a shareholder of a subsidiary (<i>Note c</i>)	15,112	12,404
Received in advance	13,034	13,737
Value-added tax payable	7,151	–
Other operating expenses payable	14,680	11,417
Others	3,787	483
	<u>278,628</u>	<u>236,298</u>

Notes:

- (a) Trade payables to securities clients represent the monies received from or payable to brokerage clients in respect of the trust and segregated bank balances received and held for clients in the course of conducting regulated activities. However, the Group does not have a currently enforceable rights to offset these payables with those balances receivables.

The trade payables from the securities business are normally settled within two trading days after the trade date except for the money held on behalf of clients at the segregated bank accounts which is repayable on demand. The money held on behalf of clients at the segregated bank accounts carries interest at prevailing interest rate of 0.01% (2023: 0.01%) per annum.

No aging analysis is disclosed as, in the opinion of directors, an aging analysis does not give additional value in view of the nature of the business.

Included in trade payables from margin clients, five of the margin clients claimed against for the cash balances with total sum of approximately HK\$47.3 million in five margin accounts.

- (b) Based on the invoice dates, aging analysis of trade payables from membership and event business, assets management business, network and licensing business and insurance brokerage business are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–60 days	4,840	1,889
61–90 days	–	49
91–120 days	27	34,569
Over 120 days	9,310	1,701
	<u>14,177</u>	<u>38,208</u>

- (c) Energetic Force Investments Limited is a shareholder of FGA Holdings Limited, a non-wholly owned subsidiary of the Company. The amount is unsecured, non-interest bearing and repayable on demand.

13. SHARE CAPITAL

	<i>Note</i>	Number of ordinary shares of HK\$0.01 each	<i>HK\$'000</i>
Authorised:			
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024		10,000,000,000	100,000
Issued and fully paid:			
At 1 April 2022		6,724,629,735	67,246
Issue of consideration shares	(a)	452,666,666	4,527
At 31 March 2023 and 1 April 2023		7,177,296,401	71,773
Issue of consideration shares	(b)	452,666,666	4,527
At 31 March 2024		7,629,963,067	76,300

During the years ended 31 March 2024 and 2023, the movements in the Company's share capital are as follows:

- (a) On 21 February 2023, 452,666,666 new ordinary shares of HK\$1.46 each of the Company were issued as the first tranche consideration shares for the acquisition of 70% equity interest in FGA Holdings Limited. Share capital and share premium of approximately HK\$4,527,000 and HK\$656,367,000 respectively were recorded.
- (b) On 31 August 2023, 452,666,666 new ordinary shares of HK\$1.54 each of the Company were issued as the second tranche consideration shares for the acquisition of 70% equity interest in FGA Holdings Limited. Share capital and share premium of approximately HK\$4,527,000 and HK\$692,580,000 respectively were recorded.

14. LITIGATION

Claims against Kingkey Securities Group Limited by Margin Clients

During the period from 22 January 2021 to 29 January 2021, Kingkey Securities Group Limited (“**KKSG**”), a wholly-owned subsidiary of the Company received five writs of summons issued in High Courts of Hong Kong by five different margin clients of KKSG, which claimed against KKSG for the cash balances with total sum of approximately HK\$54.3 million in the five margin accounts (which approximately HK\$47.3 million were frozen and restricted from securities trading under the restriction notice issued by the regulator) and equity securities held as collateral of the respective five margin clients (the “**Claims**”), maintained with KKSG. The directors of the Company are of the view that the Claims have no merit.

The directors of the Company consider that no provision for the Claims is required as these margin clients had withdrawn approximately HK\$7 million during the year ended 31 March 2021 and the remaining amounts of the Claims of approximately HK\$47.3 million have already been recorded as liabilities in Note 12 to this announcement.

The HCMP Case

On 19 January 2024, the Company obtained a copy of the originating summons filed with the Court of First Instance of the High Court of the Hong Kong Administrative Region (the “**High Court**”) (the “**HCMP Case**”) from Kingkey Holdings (International) Limited, a then substantial shareholder of the Company, against the Company, the other Directors except for Mr. Chen Jiajun, and the subscriber under the intended share subscription announced by the Company on 15 January 2024 (the “**Share Subscription**”). The HCMP Case was in relation to the Share Subscription which subsequently lapsed on 5 February 2024. After negotiation among the parties under the HCMP Case between 11 March 2024 to 3 April 2024, an order was granted by the High Court for the discontinuance of the proceedings under the HCMP Case on 5 April 2024.

For further details of the HCMP Case, please refer to the announcements of the Company dated 19 January 2024, 25 January 2024, 26 January 2024 and 8 April 2024.

The Hong Kong winding-up petition

On 2 March 2024, the Company was served with a winding-up petition (“**HK Petition**”) filed with the High Court against the Company in respect of the outstanding sum of HK\$1,030,000, being the principal amount of the bond issued by the Company to the creditor together with interest accrued thereon. After the Company’s negotiation with the petitioner under the HK Petition, a settlement was reached. On 9 May 2024, the HK Petition was withdrawn pursuant to an order granted by the High Court.

For further details of the HK Petition, please refer to the announcements of the Company dated 15 February 2024, 4 March 2024 and 9 May 2024.

The Cayman winding-up Petition and appointment of the joint provisional liquidators

On 23 February 2024 (Cayman time), a winding-up petition for restructuring purposes (“**Cayman Petition**”) was presented with the Grand Court of the Cayman Islands (“**Cayman Court**”) with the intention to seek an appointment of the joint provisional liquidators (“**JPLs**”) over the Company to provide impartial guidance and supervision over the management of the Group’s financial affairs and debt restructuring. On 6 March 2024 (Cayman time), an order was given by the Cayman Court for the appointment of the JPLs to monitor, oversee and supervise the Directors in carrying on the Group’s business.

After working closely with the JPLs for over three months, the Company has (i) completed restructuring to improve the financial position of the Group; and (ii) resolved its major issues including internal conflict among the Directors, complaints received by the Company and the litigation proceedings against the Company. On 21 May 2024 (Cayman time), with the support of the JPLs, an application to discharge the JPLs' appointment and withdraw the Petition (the "**Application**") was filed with the Cayman Court by the Cayman Legal Adviser. On 6 June 2024 (Cayman time), the Cayman Court granted an order (the "**Final Order**") to approve the Application. Pursuant to the Final Order, (i) the JPLs have been discharged from their appointment over the Company; (ii) the Petition has been withdrawn; and (iii) the Company is no longer under provisional liquidation.

For further details of the Cayman Petition, please refer to the announcements of the Company dated 25 February 2024, 1 March 2024, 7 March 2024 and 10 June 2024.

15. EVENT AFTER THE REPORTING PERIOD

Except as disclosed elsewhere in the announcement, the Company has the following significant events after the reporting period.

Termination of Sub-License Agreement

On 21 June 2024, the Company was informed by FGA (Hong Kong) Limited ("**FGA HK**") that the licensor served a notice to FGA HK to end the sub-license agreement with effect from 30 June 2024 (the "**Notice**") pursuant to the terms of the sub-license agreement. According to the advice of the Company's legal adviser, the directors are of the view that the Notice is valid. For details, please refer to the Company's announcement dated 21 June 2024.

Placing of new shares

- (a) On 17 June 2024, the Company and the placing agent entered into the placing agreement pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, of up to 1,000,000,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties at a price of HK\$0.25 per Placing Share. For details, please refer to the Company's announcement dated 17 June 2024.
- (b) On 27 March 2024, the Company entered into the placing agreement with the placing agent pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 1,525,992,613 placing shares to not less than six Placees at the Placing Price of HK\$0.060 per placing share who and whose ultimate beneficial owners shall be Independent Third Parties.

On 26 April 2024, all the conditions precedent set out in the placing agreement had been fulfilled and completion of the placing took place in accordance with the terms and conditions of the placing agreement. For details, please refer to the Company's announcement dated 26 April 2024.

Termination of Share Award Scheme

On 30 April 2024, the share award scheme of the Company ("**Scheme**") was terminated.

As at 30 April 2024, no award was made by the Company pursuant to the Scheme. Given that the Company did not expect to grant any awards under the Scheme prior to its expiry on 13 September 2028 and in order to reduce administrative cost and improve the cashflow position of the Company, the Directors resolved to terminate the Scheme with effect from 30 April 2024. For details, please refer to the Company's announcement dated 30 April 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group has experienced an extraordinary year with tremendous ups and downs.

Like many other companies in Hong Kong, the Group has been suffering from the low tide of Hong Kong economy in the recent decades. The retreat of foreign capital out of the city continued in 2023 that the Hong Kong stock market prolongedly recorded less than HK\$100 billion daily turnover. Investors were in despair and relatively pessimistic. Meanwhile, the unfavourable market conditions also resulted in liquidity problems faced by many companies, in particular, small to medium sized enterprises, where the loans previously acquired from money lenders had to default. According to news reports, 160 money lending companies were forced to go out of business in the past year. It is reported that Hong Kong people, on some occasions with families, may have accustomed to stay in Shenzhen, Guangzhou or other Greater Bay Area cities during weekends or long holidays, on some occasions with families, as the price levels and service quality are more competitive. Meanwhile, surveys from international leasing agents show that the leasing situation of Hong Kong office premises is by no means optimistic. Savills, for example, finds that the Hong Kong's office vacancy rate stood at 14.7% in the fourth quarter in 2023. Inevitably, the unemployment rate in Hong Kong remained steadily at historical low.

Facing such an uncertain market situation, however, the Group managed to maintain its business in the first half of FY2024 and, more importantly, even recorded a net profit which the Group had been striving to achieve for years. Unfortunately, the joy did not last long. The Group experienced an unprecedented and tough challenge that the then major shareholder which was owned by an executive director of the Group opposed against a potential fund-raising transaction by filing an injunction to the High Court to against it and even commenced legal proceedings against our board members when the Group was in need of new fund to replenish its liquidity. The operation and development of the Group were disrupted on various perspectives which left us with no choice but to seek for assistance of an independent professional to act as a provisional liquidator to help put things right and to ensure the normal operation of our businesses. The darkness of the chaos did not take long; however, the internal impacts made to the Group was tremendous and long-lasting.

Securities

Kingkey Securities Group Limited is the flagship company of the Group for the securities business, which has the permitted licences to carry out Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the Securities and Futures Ordinance (“SFO”, Chapter 571 of the Laws of Hong Kong). During the year, the business was getting more difficult to run which was mainly attributable to the following reasons:

1. The continuing poor performance of the Hong Kong stock market: The Hong Kong stock market in 2023 was a great disappointment: it fell to hit a 10-year record low, trading volume was thin as foreign capital fled while little fund from China came to replace. Fundraising activities were almost put to a halt. Worse, the IPO market, which was once the most popular one, is now surpassed by Indonesia and the Middle East. Securities brokerages have been suffering from minimal commission income from trading and fundraising.
2. Margin income: As the general atmosphere of the stock market was pessimistic, little investors would want to borrow margin. In additional, the quality of margin income did not show much improvement from last year. At a result, we have provided approximately HK\$107.2 million for expected credit loss, accounting for 68.2% of our total outstanding margin.

Insurance brokerage

Kingkey Privilege Wealth Management Limited (“KKWM”) is our wealth management and insurance brokerage arm. As at 31 March 2024, it is registered with the Insurance Authority (“IA”) and Mandatory Provident Fund Schemes Authority (“MPFA”) and is operating a team of experienced insurance professionals with 166 licensed representatives under IA and 80 licensed representatives under MPFA. They act as individual financial advisors to provide quality service to their clients by adopting IFA 3.0 strategy to formulate detailed and tailor-made wealth management solutions based on the clients’ needs and source appropriate investment tools with an aim to achieving desired return, our platform providing 30 major life and general insurance providers for different types of clients. Moreover, they assist their clients to grasp the most updated market information and analyse the risk and opportunities therefrom and assess their clients’ portfolio regularly. KKWM has generated over 1,650 new clients and issued over 1,460 number of policies during this financial year, and our platform are managing near 11,000 insurance policies for over 5,620 clients and has Annualised First Year Premium (“AFYP”) amount of over HK\$128.0 million; with total Annualised First Year Commission (“AFYC”) amount of over HK\$81.8 million.

As at 31 March 2024, there is a significant increase in the insurance brokerage service income. The total revenue earned amounted to approximately HK\$89.7 million, representing an increase of around 90.0% compared with last year. On 6 December 2023, we sold 49% interest to an independent third party for a consideration of HK\$1,660,000.

Fur

In the year 2024, the Copenhagen Fur auction remained strong in February followed by strong Saga Furs March auction, average 20% up compared with last year. This is mainly due to the mink garment being sold very well in China in 2023 winter season. The March auction was one of last two auctions for Danish mink, due to the closure of all mink farms in Denmark.

Assets management

We commenced this business line since early 2020. The main objective of this business is to serve our clients who are looking for fund managers to look after their assets and we earn service fee in return. All of our fund managers are qualified with Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities license under the Securities and Futures Ordinance and some of them had worked for reputable investment banks before joining us. During the year, our assets management business raised as the income from external asset management (EAM) service increased by approximately HK\$7.5 million as the value of asset under management increased. As at 31 March 2024, revenue from provision of fund and asset management services recorded approximately HK\$14.2 million (FY2023: approximately HK\$5.6 million).

Money lending

The need for borrowing is less keen as FY2023. As usual, we have been cautious when granting a loan to minimise the risk of becoming a non-performing debt. The total interest income earned from money lending business for the year ended 31 March 2024 decreased by around 31.9% from approximately HK\$25.7 million last year to this year's approximately HK\$17.5 million.

Membership and events

The membership and event segment is principally engaged in the Forbes Global Alliance (“FGA”) membership business and the events hosting business. The membership and event segment is operated by FGA Holdings Limited and its subsidiaries (“FGA Group”). FGA Group leverages the Forbes brand to congregate and promote exchange among professionals, entrepreneurs, and high net worth individuals through paid membership programs. The FGA Group also organises events together with Forbes China Group, in which FGA Group is responsible for seeking out sponsorships and ticket sales in return for a share of the event profit. The purpose of these events is also to provide opportunities for FGA members to connect, network and exchange ideas amongst each other, other attendees and guest speakers of the events. During the year ended 31 March 2024, the business fulfilled the second profit guarantee and recorded approximately HK\$44.4 million of EBIDTA for the period from 1 July 2022 to 30 June 2023. However, due to the legal proceedings elicited by the then major shareholder and executive Director against the Company and the remaining Directors in January 2024, the business was gravely affected as the legal proceedings undermined the Company and FGA's reputation which may have discouraged potential interested parties to

join FGA's membership and chapters. As a result, the total turnover for FY2024 dropped significantly and registered only approximately HK\$26.8 million (FY2023: approximately HK\$56.1 million).

Multi-channel network and licensing

The multi-channel network and licensing segment is principally engaged in the business of licensing and sale of movie and television content such as broadcasting rights and also music right. The multi-channel network and licensing segment will also be expanding into the licensing and sales of art and branded intellectual property and the management of webcast celebrities. During the year ended 31 March 2024, the multi-channel network and licensing segment recorded revenue of approximately HK\$51.9 million (FY2023: approximately HK\$85.6 million) and loss after taxes of approximately HK\$0.9 million (FY2023: approximately HK\$0.1 million), which the loss of approximately HK\$1.3 million is due to share of results of an associate.

Insurance technology

The insurance technology segment is in the business of providing marketing and information solutions to insurance brokerages through our insurance premium calculation platform. During the year ended 31 March 2024, the insurance technology segment recorded revenue of approximately HK\$68.8 million (FY2023: approximately HK\$70.1 million) and loss after taxes of approximately HK\$4.6 million (FY2023: approximately HK\$3.9 million).

Trading

The trading business commenced this financial year, offering agency services related to trading of electronic cigarette products partnered with foreign corporate clients, generating approximately HK\$0.4 million in FY2024 (FY2023: HK\$Nil).

PROSPECTS

With the inflow of capital from the mainland China in the second quarter of 2024, the Hong Kong stock market rebounds spectacularly featuring a rise of 4,000 points at the Hang Seng Index with daily turnover as much as over HK\$200 billion – this has not been seen in Hong Kong for quite a while since the drain of foreign capital in the past year or two. Of course, we are thrilled to see the Hong Kong stock market coming back from where it was and hope this upward momentum will continue and that the wealth effect can stimulate the overall economy. We believe that the cancellation of board lot trading and further reduction of stamp duties would be additional factors to welcome investors.

We also hope that the replenishment of capital would stimulate the demand for our wealth management and asset management business that bring positive effect on these two businesses.

For our membership and events business, as we recently received the notice from our licensor to end the relevant licensing agreement, we have no choice but to terminate all transactions using the name of FGA. All the goodwill and intangible assets generated from the acquisition of the FGA business were written off during the year. However, since we have already established the knowledge of running membership and events business, we can and will continue this business and seek other business partners for cooperation to diversify and maintain the segment business operation.

For fur business, we continue to expect our mink skins in our inventory will be sold at a profitable level. Our professional team includes top Danish lawyers, accountants and auditors are still working very hard to negotiate with the Danish government for compensation. We are expecting a tough road ahead as the Danish government reacted and replied very slowly.

FINANCIAL REVIEW

Revenue and segment results

Revenue of the Group for financial year ended 31 March 2024 (“**FY2024**”) was approximately HK\$330.4 million (FY2023: approximately HK\$331.3 million). The HK\$0.9 million slightly decrease in revenue was mainly due to the overall decrease in turnover as a result of the continuing deterioration of the economic condition in Hong Kong and the legal proceedings in early January 2024 as mentioned above which negative affect the Company’s reputation materially and seriously.

Securities

Kingkey Securities Group Limited was licensed to conduct type 1 (Dealing in securities), type 4 (Advising on securities) and Type 9 (Asset Management) regulated activities under SFO. For FY2023, the Group’s commission income from securities brokerage, underwriting and placing, plus interest income from securities margin financing, cash clients and IPO loans amounted to approximately HK\$27.9 million (FY2023: approximately HK\$29.7 million), which mainly due to decrease in above-mentioned interest income.

The securities brokerage commission increased from last year’s approximately HK\$1.4 million to this year approximately HK\$3.2 million mainly due to the market volatility which result in increased trading volume as investors seek to capitalize on price investment. This was fully offset by the decrease in interest income from margin financing services.

Insurance brokerage

Insurance brokerage represented the provision of insurance brokerage and wealth management services.

Kingkey Privilege Wealth Management Limited, the insurance brokerage arm of the Group, is registered with the Insurance Authority (“IA”). As at 31 March 2024, it is registered with IA and is operating a team of 166 licensed representatives under IA and 80 licensed representatives under Mandatory Provident Fund Schemes Authority, and is representing 30 major life and general insurance providers.

During FY2024, revenue from insurance brokerage, which represented commission income received from broking and dealing in insurance products amounted to approximately HK\$89.7 million (FY2023: approximately HK\$47.2 million). It reported a segment loss of approximately HK\$6.5 million for FY2024 (FY2023: profit of approximately HK\$1.2 million).

Fur

For FY2024, the Group’s fur business raised and the revenue amounted to approximately HK\$33.2 million (FY2023: approximately HK\$11.2 million).

The fur business, however, was unexpectedly complicated with higher turnover but profit margin turned to negative. Nevertheless, an overall gross loss was registered due to the significant drop in mink price in the first half of FY2024. This was largely because next financial year will be the last year for selling minks in Kopenhagen Fur that an increasing amount of minks were also sold by other farms, suppressing the auction price.

There is approximately HK\$2.1 million impairment of land value in Denmark for FY2024. Combined with the above factors, the fur business reported segment loss of approximately HK\$0.9 million for FY2024 (FY2023: approximately HK\$4.0 million). But for the impairment of Denmark land value not taken place, the segment loss would have been turned into profit of approximately HK\$1.2 million.

Assets management

Kingkey Asset Management Limited was licensed to conduct type 1 (Dealing in Securities), type 4 (Advising on Securities) and type 9 (Asset Management) regulated activities under SFO. It provides investment portfolio management services to its clients. For FY2024, the business recorded revenue from provision of fund and assets management services of HK\$14.2 million (FY2023: approximately HK\$5.6 million).

Money lending

Kingkey Finance Limited holds a money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). During the year, the Group conducted several money lending transactions and the individual loan size ranged from HK\$0.5 million to HK\$69.0 million.

The money lending business contributed interest income of approximately HK\$17.5 million to the revenue of the Group for FY2024 (FY2023: approximately HK\$25.7 million) and reported a loss of approximately HK\$44.7 million (FY2023: approximately HK\$12.8 million). Loss was mainly due to (1) additional approximately HK\$35.9 million had been provided for expected credit loss accounting for 21.5% of our total outstanding loan receivable; and (2) approximately HK\$17.8 million (FY2023: approximately HK\$22.3 million) interest payment to the Company for fund raising to supporting the business. The interest rate charged to borrowers was ranging from 10% to 48% per annum, depending on the credit worthiness of the borrowers and the timeframe of the borrowing. During FY2024, none of the creditors together with their associates (if any), had borrowed the amount more than 8% of the total assets of the Group in aggregate at any time and none of the loans to a particular creditor and to its associates in aggregate would be a notifiable transaction that requires the Company to disclose by way of announcement and/or circular.

Cost of sales

The cost of sales of the Group amounted to approximately HK\$236.1 million for FY2024 (FY2023: approximately HK\$208.6 million), which is 13.2% higher than last year. The increase was increased in line with the increased number of pelted skin sold.

Gross profit and gross profit margin

As a result of the above situations, the Group recorded a consolidated gross profit of approximately HK\$94.3 million or gross profit margin of 28.5% for FY2024, compared with that of approximately HK\$122.7 million or 37.0% for FY2023.

Other income

Other income was decreased by approximately HK\$7.8 million to approximately HK\$28.5 million for FY2024 (FY2023: approximately HK\$36.3 million). It was mainly contributed attributed by approximately HK\$9.9 million and HK\$6.2 million decreased in referral fee and management fee income respectively on insurance brokerage business.

Impairment of goodwill, intangible assets and right-of-use assets

On 21 June 2024, the Group received a notice of termination of sub-license agreement between FGA (Hong Kong) Limited, an indirect non wholly-owned subsidiary of the Company, and Energetic Force Investments Limited dated 6 June 2022, to terminate the sub-license agreement with effect from 30 June 2024. According to preliminary advice of the Group's legal adviser, the Board is of the view that the abovesaid notice is valid.

As such, the management expected that the membership business in relation to transactions using the name of FGA would cease to operate after 30 June 2024.

Thus, all the goodwill and intangible assets generated from the acquisition of the FGA business were written off during the year. The Group recorded impairment losses in respect of the goodwill, intangible assets and rights-of-use assets of approximately HK\$228.3 million, HK\$491.6 million and HK\$2.0 million, respectively for the year ended 31 March 2024, resulting in the adjustments made to the financial results since the receipt of the abovesaid notice.

Impairment of trade receivables, net

The Group recognised an impairment of approximately HK\$85.3 million mainly in relation to the expected credit loss of (1) approximately HK\$77.9 million on margin loan client in securities business; (2) approximately HK\$2.8 million on event and membership business; and (3) approximately HK\$4.3 million on trading business for FY2024.

Provision for impairment of loan receivables, net

The Group recognised a loss of approximately HK\$35.9 million from an adjustment in the expected credit loss of loan receivables in money lending business for FY2024 (FY2023: HK\$3.4 million).

Provision for impairment of other receivables and deposits

The Group recognized a loss of approximately HK\$0.6 million mainly in relation approximately HK\$0.2 million expected credit loss of a refundable deposits paid for a proposed acquisition of a target company (FY2023: HK\$Nil); and approximately HK\$0.4 million on fur business.

Administrative expenses

The administrative expenses of the Group increased by approximately 43.7% from approximately HK\$162.9 million for FY2023 to approximately HK\$234.1 million for FY2024. The increase in the administrative expenses was mainly due to addition approximately HK\$57.1 million increment in amortisation of intangible asset for two newly acquired businesses in FY2023, and approximately HK\$16.0 million legal and professional fee increment for the Group.

Other gains or losses, net

Other gains or losses, net, recorded a gain of approximately HK\$16.0 million (FY2023: loss of approximately HK\$9.1 million), which was mainly contributed by the approximately HK\$19.5 million fair value gain on Australia stock newly invested in this year, affecting by approximately HK\$2.0 million impairment of Denmark Land and approximately HK\$1.5 million net foreign exchange loss.

Fair value change in contingent consideration payable

There was a fair value gain of approximately HK\$122.2 million (FY2023: loss of approximately HK\$1,009.9 million) for FY2024. This is mainly resulting from the share price drop of the second tranche considerations shares (i.e. 452,666,666 shares of the Company) pursuant to the sale and purchase agreement dated 4 June 2021 entered into between the Company and Great Return Group Limited (as amended, modified or supplemented from time to time) as at the issue date, compared with the valuation results conducted by an independent professional valuer as at last financial year ended date.

Finance costs

Finance costs, which mainly represented interest expenses for corporate bonds interest, bank and other borrowings, were approximately HK\$11.3 million for FY2024 (FY2023: approximately HK\$14.6 million). The approximately HK\$3.3 million decrease in finance costs was mainly due to decrease in corporate bond interests.

Loss for the year

Combined with the above factors, the Group reported a loss for the year to approximately HK\$687.4 million for FY2024 (FY2023: approximately HK\$1,163.0 million), but if considering the non-cash goodwill and intangible assets impairment under membership business not taken place, the net loss for FY2024 would have been turned into to profit of approximately HK\$32.5 million.

Liquidity, financial resources and capital structure

The Group mainly finances its operations with internally generated cash flow, bank borrowings and equity/debt financings. The Group maintained bank balances and cash of approximately HK\$118.6 million as at 31 March 2024 (31 March 2023: approximately HK\$111.1 million) mainly in Hong Kong Dollar, Renminbi and United States Dollar. The net assets of the Group as at 31 March 2024 were approximately HK\$405.0 million (31 March 2023: approximately HK\$373.8 million).

As at 31 March 2024, the outstanding principal of the short and medium-term bonds was approximately HK\$112.8 million (31 March 2023: approximately HK\$108.0 million), which were denominated in Hong Kong Dollar and US Dollar at fixed coupon rates ranging from 0% to 7.5%. All the proceeds were planned and in actual utilised for supporting business development as at 31 March 2024.

On 27 March 2024, the Company entered into a placing agreement with the China Demeter Securities Limited (the “**Placing Agent**”) pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 1,525,992,613 new shares of the Company to not less than six placees who are independent third parties at the price of HK\$0.060 per share of the Company. The gross and net proceeds expected to be raised would be approximately HK\$91.6 million and HK\$89.7 million respectively and the net placing price was expected to be approximately HK\$0.059 per placing share. The proceeds from the share placement would be applied to (i) repay liabilities; and (ii) support the Group’s operations. For details of the placing concerned, please refer to the announcements of the Company dated 27 March 2024 and 23 April 2024.

The placing was subsequently completed on 26 April 2024 and a total of 1,525,992,613 new shares of the Company were successfully placed to not less than six placees.

As at 31 March 2024, the total number of issued shares of the Company was 7,629,963,067. After the subsequent share placement, the total number of issued shares of the Company reached to 9,155,955,680.

FINANCIAL KEY PERFORMANCE

The above financial data were chosen to present in this annual results announcement as they represent a material financial impact on the consolidated financial statements of the Group for the current and/or the previous financial year, that a change of which could affect the revenue and profit conspicuously. It is believed that presenting the changes of these financial data can effectively explain the financial performance of the Group for the year ended 31 March 2024.

FOREIGN CURRENCY MANAGEMENT

The Group adopts a conservative approach on foreign exchange exposure management and ensures that its exposure to fluctuations in foreign exchange rates is minimised.

To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors the exposure of foreign currency risk. As the Hong Kong Dollar is pegged to the United States Dollar, the Group considers the risk of movements in exchange rates between the Hong Kong Dollar and the United States Dollar to be insignificant.

The Group carries out its business in Hong Kong and worldwide and its assets and liabilities as well as the income and expenses are exposed to foreign currency risk primarily arising from sales and purchases transactions, investments and borrowings denominated in Renminbi, United States Dollar and Danish Krone.

The Group has certain investments and operations in Denmark which are exposed to foreign currency risk. The impact of exchange rate fluctuations on the net assets of the Group’s foreign operations is considered manageable as such impact will be offset by borrowings denominated in Danish Krone.

During the year, the Group had not engaged in any financial instruments for hedging or speculative activities.

CHARGE OF ASSETS

As at 31 March 2024, the Group charged other plant and equipment before impairment and inventories of approximately DKK19,310,000 (approximately HK\$21,865,000) (FY2023: DKK46,016,000, approximately HK\$52,719,000) for bank borrowings.

As at 31 March 2024, the Group has no pledged bank deposits as security given to a bank for a facility (31 March 2023: HK\$35,000,000).

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Claims against Kingkey Securities Group Limited by Margin Clients

During the period from 22 January 2021 to 29 January 2021, Kingkey Securities Group Limited (“**KKSG**”), a wholly-owned subsidiary of the Company received five writs of summons issued in High Courts of Hong Kong by five different margin clients of KKSG, which claimed against KKSG for the cash balances with total sum of approximately HK\$54.3 million in the five margin accounts (which approximately HK\$47.3 million were frozen and restricted from securities trading under the restriction notice issued by the regulator) and equity securities held as collateral of the respective five margin clients (the “**Claims**”), maintained with KKSG. The directors of the Company are of the view that the Claims have no merit.

The directors of the Company consider that no provision for the Claims is required as these margin clients had withdrawn approximately HK\$7 million during the year ended 31 March 2021 and the remaining amounts of the Claims of approximately HK\$47.3 million have already been recorded as liabilities in Note 12 to this announcement.

The HCMP Case

On 19 January 2024, the Company obtained a copy of the originating summons filed with the Court of First Instance of the High Court of the Hong Kong Administrative Region (the “**High Court**”) (the “**HCMP Case**”) from Kingkey Holdings (International) Limited, a then substantial shareholder of the Company, against the Company, the other Directors except for Mr. Chen Jiajun, and the subscriber under the intended share subscription announced by the Company on 15 January 2024 (the “**Share Subscription**”). The HCMP Case was in relation to the Share Subscription which subsequently lapsed on 5 February 2024. After negotiation among the parties under the HCMP Case between 11 March 2024 to 3 April 2024, a Court order was granted by the High Court for the discontinuance of the proceedings under the HCMP Case on 5 April 2024.

For further details of the HCMP Case, please refer to the announcements of the Company dated 19 January 2024, 25 January 2024, 26 January 2024 and 8 April 2024.

The Hong Kong Winding-up Petition

On 2 March 2024, the Company was served with a winding-up petition (“**HK Petition**”) filed with the High Court against the Company in respect of the outstanding sum of HK\$1,030,000, being the principal amount of the bond issued by the Company to the creditor together with interest accrued thereon. After the Company’s negotiation with the petitioner under the HK Petition, a settlement was reached. On 9 May 2024, the HK Petition was withdrawn pursuant to an order granted by the High Court.

For further details of the HK Petition, please refer to the announcements of the Company dated 15 February 2024, 4 March 2024 and 9 May 2024.

The Cayman Winding-up Petition and Appointment of The Joint Provisional Liquidators

On 23 February 2024 (Cayman time), a winding-up petition for restructuring purposes (“**Cayman Petition**”) was presented with the Grand Court of the Cayman Islands (“**Cayman Court**”) with the intention to seek an appointment of the joint provisional liquidators (“**JPLs**”) over the Company to provide impartial guidance and supervision over the management of the Group’s financial affairs and debt restructuring. On 6 March 2024 (Cayman time), an order was given by the Cayman Court for the appointment of the JPLs to monitor, oversee and supervise the Directors in carrying on the Group’s business.

After working closely with the JPLs for over three months, the Company has (i) completed restructuring to improve the financial position of the Group; and (ii) resolved its major issues including internal conflict among the Directors, complaints received by the Company and the litigation proceedings against the Company. On 21 May 2024 (Cayman time), with the support of the JPLs, an application to discharge the JPLs’ appointment and withdraw the Petition (the “**Application**”) was filed with the Cayman Court by the Cayman Legal Adviser. On 6 June 2024 (Cayman time), the Cayman Court granted an order (the “**Final Order**”) to approve the Application. Pursuant to the Final Order, (i) the JPLs have been discharged from their appointment over the Company; (ii) the Petition has been withdrawn; and (iii) the Company is no longer under provisional liquidation.

For further details of the Cayman Petition, please refer to the announcements of the Company dated 25 February 2024, 1 March 2024, 7 March 2024 and 10 June 2024.

MATERIAL ACQUISITIONS OR DISPOSALS AND SIGNIFICANT INVESTMENTS

Acquisition of membership and events business

On 4 June 2021 (after trading hours), the Company (the “**Purchaser**”) and Great Return Group Limited (the “**Vendor**”) entered into a sale and purchase agreement, pursuant to which, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, 70 shares or 70% of issued equity of FGA Holdings Limited (the “**Target Company**”) and its subsidiaries (collectively the “**Target Group**”), at the total consideration of US\$35 million (equivalent to approximately HK\$271.6 million), which shall be satisfied by the issue and allotment of up to 1,131,666,666 new shares of the Company at HK\$0.24 each (the “**Consideration Shares**”) by the Purchaser to the Vendor in four (4) instalments subject to certain adjustments on valuation of the Target Company and profit guarantee provided by the Vendor.

On 13 January 2022, the Purchaser and the Vendor entered into the Supplemental Agreement, pursuant to which, the Company and the Vendor agreed to restructure and revise certain terms of the Agreement in respect of, among others, the consideration, the conditions precedent, the completion accounts, the post completion accounts and the guarantee provided by the Guarantor. The total consideration payable by the Company to the Vendor for the sale and purchase of the Sale Shares shall remain at US\$35.0 million, which shall be subject to adjustment in accordance with the adjustment mechanisms and shall be payable and/or settled in three instalments in accordance with the revised settlement terms.

The Company and the Vendor originally agreed that the total consideration of US\$35.0 million shall be satisfied by the issue and allotment of up to 1,131,666,666 Consideration Shares at the Issue Price of HK\$0.24 per Consideration Share for full settlement of the Total Consideration. Pursuant to the Supplemental Agreement, up to 905,333,332 Consideration Shares (or the adjusted number of the Consideration Shares in accordance with the Adjustment Mechanisms) shall be issued and allotted at the same issue price as set out in the Agreement of HK\$0.24 per Consideration Share as part payment of the total consideration. To better manage the financial risks associated with the businesses of the Target Group, the Company has agreed to settle the maximum amount of the Total Consideration of US\$35.0 million in accordance with the deferred and earn out structure which is based on the actual EBITDA of the Target Group for the period of 12 months commencing from 1 January 2022 and ending on 31 December 2022 and the period of 12 months commencing from 1 July 2022 and ending on 30 June 2023 respectively.

An extraordinary general meeting was held on 31 March 2022 that the specific mandate, and other matters, for issuing consideration shares was approved by the shareholders of the Company. The transaction was completed subsequently on 6 June 2022.

For more details of the acquisition, please refer to the announcements of the Company dated 4 June 2021 and 13 January 2022 and the circular dated 28 February 2022.

The first profit guarantee period ended on 31 December 2022 where the business recorded HK\$37,305,034 (equivalent to US\$4,781,759), i.e., more than US\$4.6 million which was the guaranteed profit level. The amount was confirmed by the Company's auditor and, accordingly, the Company has, on 21 February 2023, allotted and issued 452,666,666 new shares of the Company as partial payment of the total consideration. For more details, please refer to the announcement of the Company dated 21 February 2023.

The second profit guarantee period ended on 30 June 2023 where the business recorded HK\$44,448,897 (equivalent to US\$5,698,577), i.e., more than US\$4.6 million which was the guaranteed profit level. The amount was confirmed by the Company's auditor and, accordingly, the Company has, on 31 August 2023, allotted and issued 452,666,666 new shares of the Company as partial payment of the total consideration. For more details, please refer to the announcement of the Company dated 31 August 2023.

Disposal of 49% equity interest of wealth management business

On 6 December 2023, Noble Zenith International Limited (“**Noble Zenith**”) (a direct wholly-owned subsidiary of the Company) and GKC Holding Limited (the “**Purchaser**”) entered into a sale and purchase agreement, pursuant to which Noble Zenith has agreed to sell, and the Purchaser has agreed to acquire, 49% of equity interest of Kingkey Privilege Wealth Management Limited (the “**Target Company**”) at a consideration of HK\$1,660,000. Upon completion of the transaction, the Target Company will be owned as to 51% by Noble Zenith and 49% by the Purchaser, and accordingly, the Target Company will continue to be a subsidiary of the Company and will continue to be accounted for and consolidated in the audited consolidated accounts of the Company. The net proceeds arising from the disposal were approximately HK\$1 million which were intended and in actual utilized as general working capital for daily operation. For details, please refer to the announcement of the Company dated 6 December 2023.

Save as disclosed, during FY2024, the Company did not have any material acquisitions or disposals and significant investments.

FINAL DIVIDEND

The directors do not recommend any final dividend for FY2024 (FY2023: Nil).

EMPLOYEE INFORMATION

As at 31 March 2024, the Group had a total of 100 staff members including Directors (31 March 2023: 83). Staff costs including Director's remuneration amounted to approximately HK\$43.4 million for FY2024 (FY2023: approximately HK\$43.6 million). Remuneration is determined based on the individual's qualification, experience, position, job responsibility and market conditions. Salary adjustments and staff promotion are based on evaluation of staff performance by way of annual review, and discretionary bonuses would be paid to staff with reference to the financial performance of the Group of the preceding financial year. Other benefits include contributions to statutory mandatory provident fund scheme to its employees in Hong Kong.

ENVIRONMENTAL POLICIES AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group's Environmental, Social and Governance Report for the year ended 31 March 2024 will be published on the respective websites of the Stock Exchange and the Company on 30 July 2024. No material impact of the relevant laws and regulations in relation to environment is identified on business operations.

RISK MANAGEMENT

Credit risk

Credit risk exposure represents trade receivables and loan receivables from customers principally arising from our business activities. The Group has a credit policy in place and the credit risk is monitored on an on-going basis.

In order to minimise the credit risk, management of the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that appropriate and speedy follow up actions are taken on overdue balances. In this regard, the Board considers that the Group's credit risk is significantly reduced.

Liquidity risk

The Group monitors its current and expected liquidity requirements regularly and ensures sufficient liquid cash and adequate committed lines of funding from reputable financial institutions are available to meet the Group's liquidity requirements in the short and long terms.

Foreign currency risk

The Group carries out its business in Hong Kong and worldwide and most of the transactions are denominated in Hong Kong Dollar, Renminbi, United States Dollar and Danish Krone. The sales and purchases transactions of the Group are exposed to the foreign currency risk.

To mitigate the impact of exchange rate fluctuations, the Group continually assesses and monitors the exposure to foreign currency risk. The management of the Group may implement foreign currency forward contracts to hedge the exposure to foreign currency risk. As the Hong Kong Dollar is pegged to the United States Dollar, the Group considers the risk of movements in exchange rates between the Hong Kong Dollar and the United States Dollar to be insignificant.

During the year under review, the Group has certain investments in foreign operations in Denmark, whose net assets are exposed to foreign currency risk. The impact of exchange rate fluctuations on the net assets of the Group's foreign operations is considered to be manageable as such impact will be offset by borrowings denominated in Danish Krone.

CORPORATE GOVERNANCE

The Company has fully complied with the required code provisions set out in the Corporate Governance Code (the “**Code**”) contained in Appendix C1 to the Listing Rules for the year ended 31 March 2024. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure that they comply with the Code and align with the latest developments.

COMPANY SECRETARY

Mr. Ngai Tsz Hin Michael (“**Mr. Ngai**”), an external service provider, was appointed as company secretary of the Company (the “**Company Secretary**”) with effect from 22 January 2024. The Company has assigned Mr. Mong Cheuk Wai, the executive director, as the contact person with Mr. Ngai. Information in relation to the performance, financial position and other major developments and affairs of the Group are speedily delivered to Mr. Ngai through the contact person assigned. Hence, all directors are still considered to have access to the advice and services of the Company Secretary in light of the above arrangement in accordance with code provision C.6.4 of the Code. Having in place a mechanism that Mr. Ngai will get hold of the Group's development promptly without material delay and with his expertise and experience, the Board is confident that having Mr. Ngai as the Company Secretary is beneficial to the Group's compliance with the relevant board procedures, applicable laws, rules and regulations. For the year ended 31 March 2024, Mr. Ngai has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group adopted the model code for securities transactions by Directors the (“**Model Code**”) on terms no less exacting than that set out in Appendix C3 of the Listing Rules. Upon the Group's specific enquiry, all Directors confirmed that during the year ended 31 March 2024, they had fully complied with the Model Code.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The Company established an audit committee (the “**Audit Committee**”) which comprises all four independent non-executive Directors, namely, Ms. Mak Yun Chu, Mr. Leung Siu Kee, Mr. Hung Wai Che and Mr. Chan Ting Fung, with Ms. Mak Yun Chu being the chairperson of the committee.

The Group's annual results for the year ended 31 March 2024 have been reviewed by the Audit Committee. The Audit Committee is of opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

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 this announcement have been agreed by the Group's auditors, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute any assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners Limited in this announcement.

PUBLICATION OF ANNUAL REPORT

The annual report for FY2024 containing all the information required by Appendix 16 of the Listing Rules will be despatched to the shareholders and available on the Company's website (www.kkgroup.com.hk) and the designated website of the Stock Exchange (www.hkexnews.hk) in due course.

On behalf of the Board
Kingkey Financial International (Holdings) Limited
Mong Cheuk Wai
Chairman and Executive Director

Hong Kong, 28 June 2024

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Mong Cheuk Wai

Ms. Cheung Pui Ki Gloria

Independent Non-executive Directors:

Ms. Mak Yun Chu

Mr. Hung Wai Che

Mr. Leung Siu Kee

Mr. Chan Ting Fung