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ANNUAL REPORT 2024

世紀娛樂國際控股有限公司

CENTURY ENTERTAINMENT INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 959)





# Contents

Corporate Information	<b>2</b>
Chairman's Statement	<b>3</b>
Management Discussion and Analysis	<b>5</b>
Corporate Governance Report	<b>9</b>
Directors' Report	<b>24</b>
Independent Auditor's Report	<b>37</b>
Consolidated Statement of Profit or Loss and Other Comprehensive Income	<b>40</b>
Consolidated Statement of Financial Position	<b>41</b>
Consolidated Statement of Changes in Equity	<b>42</b>
Consolidated Statement of Cash Flows	<b>43</b>
Notes to Consolidated Financial Statements	<b>45</b>
Five-Year Financial Summary	<b>110</b>

## BOARD OF DIRECTORS

### Executive

Mr. Ng Man Sun (*Chairman and Chief Executive Officer*)

### Independent Non-executive

Ms. Yeung Pui Han, Regina

Ms. Sie Nien Che, Celia

Mr. Yuen Sing Wai Lester

## AUDIT COMMITTEE

Mr. Yuen Sing Wai Lester (*Chairman*)

Ms. Yeung Pui Han, Regina

Ms. Sie Nien Che, Celia

## COMPLIANCE COMMITTEE

Mr. Ng Man Sun (*Chairman*)

Mr. Yuen Sing Wai Lester

Mr. Man Yun Wah

## REMUNERATION COMMITTEE

Ms. Yeung Pui Han, Regina (*Chairlady*)

Ms. Sie Nien Che, Celia

## NOMINATION COMMITTEE

Mr. Ng Man Sun (*Chairman*)

Ms. Yeung Pui Han, Regina

Ms. Sie Nien Che, Celia

## COMPANY SECRETARY

Mr. Man Yun Wah

## AUDITOR

Elite Partners CPA Limited

## LEGAL ADVISER

Cheng, Yeung & Co.

## INVESTOR RELATIONS CONSULTANT

DLK Advisory Limited

## STOCK CODE

959

## BRANCH SHARE REGISTRAR

Tricor Secretaries Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

## REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

G02, Shun Tak Centre

168-200 Connaught Road Central

Sheung Wan

Hong Kong



Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Century Entertainment International Holdings Limited ("**Century Entertainment**" or the "**Company**"; stock code: 959) and its subsidiaries (collectively the "**Group**"), I present herewith the audited consolidated results (the "**2024 Annual Results**") for the year ended 31 March 2024 (the "**Year under Review**").

## COMPANY OVERVIEW FOR THE YEAR

Over the past year, the Cambodian government has made significant efforts to promote the recovery of the tourism industry, which has played a crucial role in driving the country's economic rebound. In particular, the government has unveiled a new tourism strategy called "5-BUILD" to position Cambodia as an attractive destination for both business and leisure travellers. The strategy focuses on enhancing governance, driving the digital revolution, and developing the tourism workforce. These initiatives aim to establish Cambodia as a leading tourism destination with diversity, opportunities and warmth. Supported by the increase in traffic, local casinos have also resumed operations, setting stage for the growth of the gaming industry.

In face of the market recovery, we have been actively communicating with stakeholders in order to resume the gaming tables business. After thorough discussion and careful exploration of various solutions to fulfil the conditions precedent, we regreftully announce that we have not been able to reach a successful outcome by the long stop date of 31 December 2023. While we are disappointed that the agreement has to be terminate, we would like to highlight that the terms of the Termination Agreement are fair and reasonable, and they have no negative impact on the operation or financial position of our Group.

Despite the agreement did not come to fruition, we have never stopped to return to the gaming business in Cambodia. We have been keeping close relationship with casino operators to explore relevant opportunities. We are pleased to announce that our wholly-owned subsidiary, Wisdom Ocean Group Limited, has entered into a Casino Agreement with LongBay Entertainment, in respect of the lease of operation of the VIP Rooms for a term of three years, effective from the approval at the Special General Meeting.

Nestled within the heart of Dara Sakor, Koh Kong Province, these VIP rooms are poised to benefit from the region's reputation as a premier tourism destination in Southeast Asia, boasting enticing gaming prospects. Spanning approximately 650 square meters, these VIP rooms are equipped with seven gaming tables. Our plan is to operate baccarat on all tables, with the Group entitled to 100% of the house winnings and responsible for 100% of the house losses, as well as all associated staff costs and taxes. We are confident that these new VIP tables will generate stable revenue, thereby improving our financial performance and financial position. Currently, we are working diligently to prepare for the resumption of the casino gaming business, and we will make every effort to expedite the process with the goal of reopening in early July 2024.

## OUTLOOK AND PROSPECT

Cambodia's economic outlook appears increasingly promising, with the nation on the brink of significant expansion. According to the Asian Development Bank, Cambodia's economy is projected to grow by 5.8 percent in 2024 and 6 percent in 2025, driven by a revitalized tourism sector and robust industrial exports. The new inauguration of the Siem Reap Angkor International Airport and the under-construction Phnom Penh Techo Takhmao International Airport, which is expected to be fully operational by 2025, has sparked high hopes for an increase in tourist arrivals.

Going forward, our Group will remain focused on the core gaming industry, drawing upon our extensive experience to accelerate the resumption of our VIP room business. As we anticipate a resumption of operations in early July, we believe there is a high chance of revenue contribution in the upcoming fiscal year. Meanwhile, we will also actively explore various entertainment opportunities in Southeast Asian countries, expanding beyond the realm of technology. This approach will allow us to further diversify our business risks while capitalizing on the burgeoning market prospects.

## WORDS OF APPRECIATION

On behalf of the Board, I extend my heartfelt appreciation to our management and staff for their unwavering dedication over the past year. I would also like to convey my deepest gratitude to our shareholders for their steadfast support during these challenging times. Together, we will face these challenges head-on and achieve even greater heights. Our commitment remains firm in pursuing sustainable growth and delivering long-term value for our shareholders. We are committed to maintain our standards of excellence and to adapt proficiently to the changing environment.

**Ng Man Sun**

*Chairman*

Hong Kong, 25 June 2024

The Directors hereby report the audited consolidated annual results of the Group for the year ended 31 March 2024. The 2024 Annual Results have been reviewed by the audit committee of the Company (the “**Audit Committee**”).

## FINANCIAL REVIEW

The principal activities of the Group are investment holdings, operating the gaming tables in Cambodia, the development of innovative intellectual properties and technological solutions in connection with AR/VR applications to clients.

The Group recorded no revenue for the years ended 31 March 2024 and 2023. The decrease in revenue was mainly attributable to the spread of COVID-19 and the temporary closure of all casinos in Cambodia since 1 April 2020 affecting the gaming table business and also that the work on the re-opening of the casino is still in progress. Net loss for the year ended 31 March 2024 was approximately HK\$24.2 million, decreasing approximately 61.3% as compared to approximately HK\$62.5 million last year. The change in net loss for the year ended 31 March 2024 was mainly because there is no written-off/impairment loss on intangible assets and impairment loss on accounts and other receivables, net of reversal decreased approximately by HK\$15.4 million.

## Capital Structure

As at 31 March 2024, the Company’s total number of issued shares was 128,247,561 at HK\$0.01 each (31 March 2023: 128,247,561 at HK\$0.01 each). The Group’s consolidated net liabilities totalled approximately HK\$79.8 million, representing an increase of approximately HK\$12.3 million as compared to net liabilities of approximately HK\$67.5 million as at 31 March 2023.

## Liquidity and Financial Resources

The Group adopts a prudent treasury policy. It finances its operations and investments with internal resources, cash revenues generated from operating activities and proceeds from equity fundraising activities.

As at 31 March 2024, the Group had total assets and net liabilities of approximately HK\$90.4 million (2023: approximately HK\$91.1 million) and HK\$79.8 million (2023: approximately HK\$67.5 million), respectively, comprising non-current assets of approximately HK\$0.04 million (2023: approximately HK\$8.2 million) and current assets of approximately HK\$90.4 million (2023: approximately HK\$82.9 million). The Group also did not have any non-controlling interests (2023: Nil), current liabilities of approximately HK\$112.0 million (2023: approximately HK\$128.2 million) and non-current liabilities of HK\$58.2 million (2023: approximately HK\$30.4 million).

The Group’s gearing ratio as at 31 March 2024, calculated as a ratio of total debt to total assets, was approximately 188.3% (2023: 174.1%). As at 31 March 2024, the Group had cash and cash equivalents of approximately HK\$3.9 million (2023: approximately HK\$3.8 million).

## Foreign Exchange and Currency Risks

It is the Group’s policy for its operating entities to operate in their corresponding local currencies to minimise currency risks. The principal businesses of the Group are conducted and recorded in Hong Kong dollars and United States dollars. As its exposure to foreign exchange fluctuation is minimal, the Group does not see the need for using any hedging tools.

# Management Discussion and Analysis

## BUSINESS OVERVIEW

Cambodia has shown promising signs of recovery during the Year, fuelled by the resurgence of the tourism industry. In 2023, Cambodia attracted 5.43 million of international tourists, which is a remarkable 139% increase from the previous year of 2.27 million, according to the Ministry of Tourism of Cambodia. The substantial growth in arrivals highlights the strong upward momentum of Cambodia's economic revival, and riding on such opportunity, the Cambodian government pursued a more regulated operating environment, in order to ensure the sustainable development of the economy. Hence, the Cambodian government has maintained a stringent stance on gaming licenses following the resumption of casino operations. For example, on 19 February 2024, the Commercial Gambling Management Commission of Cambodia issued an instruction titled "Strengthening the Management of Game-of-Chance Operations", aiming to curb illegal gaming activities that have proliferated in the country. The Group believes this will create a healthier market environment for casino operators with the necessary operating licenses, affiliated services, and extensive market experience, as there will be less competition and potentially attract more gamers due to better user experience.

During the Year under review, the Group strived to resume its gambling operations by expediting the launch of its gaming table business in the mass gaming area in Dara Sakor. Unfortunately, the Gaming Table Business Rights agreements were ultimately terminated under fair and reasonable terms, despite notable efforts in finding various solutions. After the termination, the Group has swiftly entered into a new casino agreement in May 2024 for the lease and operation of the higher-margin VIP rooms for a period of three years, effective upon the approval at the special general meeting ("**SGM**"), aiming to capture the potential opportunities from the growing tourism sector. With the VIP rooms scheduled to be opened in early July, the Group is cautiously optimistic about its revenue contributions starting from the second half of 2024 and onwards. The Group will keep a keen eye on the latest market development, and will maintain its proactive communication with shareholders and other stakeholders should further development and opportunities arise.

## GAMING TABLE BUSINESS IN CAMBODIA

Victor Mind Global Limited ("**VMG**"), a wholly-owned subsidiary of the Company, entered into the new assignment agreement (the "**New Assignment Agreement**") on 27 February 2023 with Lion King Entertainment Company Limited ("**Lion King**"), pursuant to which, Lion King would conditionally assign the New Gaming Table Business Rights to VMG, while VMG would agree to accept the assignment of eight gaming tables for a five-year term at a consideration of HK\$58 million. Despite numerous efforts in due diligence and exploring agreeable solutions, the parties were unable to come to a fruitful result, as the conditions precedent before the long stop date of 31 December 2023 were not fully satisfied. Given the potentially ongoing challenges, the parties have since agreed to mutually terminate the agreement. As no deposit was made and no settlement is required for the termination, the Group does not anticipate any material impact on its operation and finances, and believes the termination terms are fair and reasonable under the circumstances.



To fast-track its gaming business development, the Group has actively engaged in negotiations with LongBay Entertainment Co., Ltd ("**LongBay Entertainment**") to establish a direct lease agreement for the operation of gaming activities within the VIP Rooms. On 3 May 2024, Wisdom Ocean Group Limited ("**Wisdom Ocean**"), a wholly-owned subsidiary of the Group, has entered into a casino agreement ("**Casino Agreement**") with LongBay Entertainment for the lease and operation of the VIP Rooms in Dara Sakor. The agreement is effective for a term of three years from the date of passing the relevant resolution at the SGM. According to the agreement, Wisdom Ocean will oversee the VIP room gaming activities, with a focus on baccarat across seven gaming tables in a 650-square-meter space, whereas LongBay Entertainment will be responsible for licensing, operational expenses, and dealer provision, allowing the Group to concentrate on enhancing customer experience. The monthly rent is set at US\$35,000, and the Group shall be entitled to 100% house win winnings and will bear 100% house losses, as well as the associated staff costs and taxes.

The Group is confident that the VIP room will yield higher margins and aims to open its doors in early July, generating revenue before the end of 2024. With the promising development and tourism appeal of Dara Sakor, the Board anticipates a steady stream of revenue, which will strengthen the Group's financial performance and strengthen its market position.

## AUGMENTED REALITY ("**AR**")/VIRTUAL REALITY ("**VR**") ENTERTAINMENT

Despite the general market recovery, Explicitly Grand Investments Limited, along with its subsidiary companies (collectively known as the "**Explicitly Grand Group**"), have faced challenges in attracting new clients and securing orders. The intense market competition in the AR/VR products and services sector has reduced demand for the Group's offerings, exerting pressure on its operations.

Amidst the rising market uncertainties, the Group has maintained a cautious approach to manage the operations of the Explicitly Grand Group. Simultaneously, the Group has been actively exploring restructuring options and alternative business prospects. Allowing the Group to prioritize its core gaming operations and pursue long-term business growth.

## OUTLOOK

The Cambodian government has made significant efforts to attract foreign tourists by focusing on improving political stability, enhancing road infrastructure, increasing direct flights with other countries, as well as reopening its major tourism services. These initiatives, coupled with the recent inauguration of the Chinese-invested Siem Reap Angkor International Airport, are expected to contribute to a notable increase in tourist arrivals. The Ministry of Tourism, Cambodia has projected that the Kingdom will welcome 6.6 million international visitors in 2019, with an estimated 7 million tourists expected by 2025, exceeding its pre-COVID-19 level. This positive outlook indicates a gradual recovery in the tourism and services industry, which in turn, is expected to support Cambodia's overall economic revival. According to the Asian Development Bank's economic report, Cambodia's economy is set to expand by 5.8% in 2024, driven by a resurgence in tourism and robust manufacturing prospects. The report also predicts a growth rate of 6.0% in 2025, indicating sustained economic progress for Cambodia.

# Management Discussion and Analysis

In light of these favourable market conditions, the Group is well-positioned to capitalize on the emerging opportunities within the Cambodian gambling landscape. Leveraging its extensive experience in the gaming industry in Cambodia, the Group will harness its expertise to drive business growth through the targeted opening of the VIP room business in early July. Furthermore, the Group is actively exploring investment opportunities in the entertainment technology segment, aiming to mitigate business risks while tapping into additional entertainment prospects. Looking beyond Cambodia, the Group will closely monitor the developments in neighbouring Thailand, where plans to legalise casinos are underway. This presents a compelling opportunity for geographic expansion, and the Group will be well-prepared to adapt its strategy accordingly to seize emerging market dynamics. Despite the prevailing uncertainties, the Group remains cautiously optimistic and steadfast in its commitment to delivering sustainable returns to its shareholders.

## Environmental Policy

The Group has devoted its greatest efforts in promoting conservation and environmental sustainability. Our environmental strategy is to achieve a balance between the quality and efficiency of our services and the minimization of greenhouse gas emissions and environmental degradation. Accordingly, energy efficient lightings have been installed in the office to reduce energy consumption and the Group has also continuously monitored its waste and paper consumption such as use of recycled paper and double-sided printing.

Details of the environmental, social and governance practices adopted by the Group are set out in the Environmental, Social and Governance Report which will be published as a separate report on the websites of the Company and the Stock Exchange at the same time of publication of the annual report of the Company for the year ended 31 March 2024.

## Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations. The work of our Board and the Board committees, in particular the compliance committee of the Company (the "**Compliance Committee**"), contributes to our commitment to compliance efforts. During the Year under Review, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

## Relationship with Employees

The Group actively manages its employee relations on which its success depends. The Group believes that developing superior human resources with knowledge, skill and experience is essential to the achievement of its objectives. Specifically, the Group provides in-house training, subsidy for attending seminars and encourages sharing of ideas through employees' meeting. These training and development enable the Group to enhance improvement in the knowledge and skills needed from the employees as they become one of the key strengths of the Group.

The Group continues to commit itself to maintaining a high standard of corporate governance with emphases on enhancing transparency and accountability and assuring of good application of practices and procedures within the Group and enhancing performance thereby, augmenting Shareholders' value and benefiting our stakeholders at large.

## CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles of, and complied with all applicable code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix C1 to the Listing Rules throughout the year ended 31 March 2024 with the exception of certain deviations as further explained below.

Code provision C.1.8 of the CG Code provides that an issuer should arrange appropriate insurance cover in respect of legal action against its directors.

The Company does not have insurance cover in this respect. The management of the Company considers that all potential claims and legal actions the Directors can be handled effectively and the possibility of actual litigation against the Directors is relatively low based on its business operations for the year ended 31 March 2024. The Company will consider to arrange for an appropriate insurance in accordance with the requirements of code provision C.1.8 of the CG Code as and when appropriate.

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Ng currently assumes the roles of both the chairman (the "**Chairman**") of the Board and the chief executive officer (the "**CEO**") of the Company. The Board believes that the roles of the Chairman and the CEO performed by Mr. Ng provide the Group with strong and consistent leadership and are beneficial to the Group especially in planning and implementation of the Company's business strategies. The Board will regularly review effectiveness of such arrangement.

Code provision F.2.2 of the CG Code provides that the chairman of the board should attend the annual general meeting.

Due to other business commitments, Mr. Ng, being the chairman of the Board, was unable to attend the AGM held on 29 September 2023. He had arranged Ms. Ng Wai Yee, who was an executive Director and very familiar with the Group's business and operations, to attend and chair the AGM.

The Company periodically reviews its corporate governance practices and policy to ensure that they continue to meet the requirements of the CG Code, and acknowledges the important role of the Board in providing effective leadership and direction to the Company's business, and ensuring transparency and accountability of the Company's operations.

As such, the Company considers that sufficient measures have been in place to ensure that the Company's corporate governance practices and policy are no less exacting than the CG Code.

## MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct for securities transactions by the Directors and has adopted written guidelines no less exacting than the Model Code for the relevant employees in respect of their dealings in the Company's securities.

Having made specific enquiries to all Directors, all Directors confirm that they have complied with the required standard as stated in the Model Code regarding securities transactions throughout the year ended 31 March 2024.

## BOARD OF DIRECTORS

### Responsibilities

The Board, led by the Chairman, Mr. Ng Man Sun, provides leadership, devises and approves policies, strategies and plans, and oversees their implementation to further the healthy growth of the Company in the interests of the Shareholders. The day-to-day management, administration and operations of the Company and implementation of the Board's decisions are delegated to the CEO and the executive Directors as appropriate.

### Board Diversity Policy

Recognizing and embracing the benefits of having a diverse member of the Board to uphold corporate governance, the Company announced the Board Diversity Policy to set out clear guidelines in designing the Board's composition, in terms of but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board may seek to improve one of more aspects of its diversity at any given time, and measure its progress accordingly.

Currently, Mr. Ng Man Sun, Ms. Yeung Pui Han, Regina, Ms. Sie Nien Che, Celia and Mr. Yuen Sing Wai Lester are the members of the Board. The Board is confident that its members will continue to work towards a common goal and vision for the best interests of the Group and the Shareholders.

### Nomination Policy

The Board has adopted a nomination policy (the "**Nomination Policy**") which aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirement of the Company's businesses. In determining the suitability of a candidate, the nomination committee of the Company (the "**Nomination Committee**") and the Board shall consider the following criteria:

- the candidate's personal ethics, reputation, character and integrity;
- the candidate's qualifications, skills, knowledge, business judgment and experience that are relevant to the operations of the Group;
- willingness to devote adequate time to discharge duties as a member of the Board;
- the Board Diversity Policy for achieving diversity on the Board;
- the candidate for the position of an independent non-executive Director must comply with the independence criteria as prescribed under the Listing Rules; and
- any other factors that the Nomination Committee and/or the Board may consider appropriate.

These factors are for reference only, and not meant to be exhaustive and decisive.

The Nomination Committee identifies individual(s) suitably qualified to become board members, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of the proposed independent non-executive Director(s) as appropriate. The Nomination Committee also considers each retiring Director, having due regard to the Nomination Policy and the Board Diversity Policy, and assesses the independence of each retiring independent non-executive Director. In recommending candidates for appointment to the Board or re-appointment of retiring Directors to the Board, the Nomination Committee will convene a meeting to evaluate each proposed Director on merit against objective criteria and with due regards to the benefits of the Board. The Nomination Committee shall make recommendations by submitting the proposed Director's personal profile to the Board for its consideration.

For each proposed new appointment or re-appointment of a Director, the Nomination Committee shall obtain all applicable declarations and undertaking as required under the laws of Bermuda and the Listing Rules. The Board shall have the final decision on all matters relating to the recommendation of candidates to stand for election (and re-election) at a general meeting. The ultimate responsibility for the selection and appointment of Directors rests with the entire Board.

## Directors Remuneration Policy

The Company has adopted a director remuneration policy, it sets out the general principles which guide the Group to deal with the remuneration matters. This remuneration policy aims to provide a fair market level of remuneration to retain and motivate high quality directors, senior management of the Group and attract experienced people of high calibre to oversee the business and development of the Group.

## Board Composition

The Board currently consists of four members, including one executive Directors, namely Mr. Ng Man Sun (Chairman and CEO); and three independent non-executive Directors, namely Ms. Yeung Pui Han, Regina, Ms. Sie Nien Che, Celia and Mr. Yuen Sing Wai Lester. Their biographical details are set out on page 29 of this report and are posted on the Company's website. The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules.

## Chairman and Chief Executive Officer

The roles and responsibilities respectively of the Chairman and the CEO are clearly defined and set out in writing, and are now both exercised by Mr. Ng Man Sun.

The Chairman provides leadership and is responsible for effective functioning of the Board in accordance with good corporate governance practices and standard. With the full support of the management of the Company, the Chairman is principally responsible for determining the overall strategy and corporate development and ensuring the business operations are properly monitored.

The CEO, with the full support of the management of the Company, focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. He is also responsible for developing strategic plans and formulating the Company practices and procedures, business objectives, and risk assessment for the Board's approval.

# Corporate Governance Report

The functions reserved to the Board and those delegated to the management have been formalized in writing and are periodically reviewed by the Board to ensure that they remain appropriate to the Company's needs.

## Independence of Independent Non-executive Directors

Composition of the independent non-executive Directors reflects the necessary balance of skills and varied business experiences of different geographical regions and independence in their decision making for effective and constructive contribution to the Board for governance of the Company. The Board currently has three independent non-executive Directors representing more than one-third of the Board and one of them possessing appropriate professional qualification in accounting or related financial management expertise.

Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia had served as independent non-executive Directors for more than 9 years. During their tenure of office, Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia had been able to fulfill all the requirements regarding independence of independent non-executive Director and provide annual confirmation of independence to the Company under Rule 3.13 of the Listing Rules. The Board is not aware of any foreseeable events that may occur and affect the independence of Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia and believes that they are and shall continue to be independent of the Company. The Board will continue to review the independence of Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia annually. During their years of appointment, they have demonstrated their ability to provide an independent view to the Company's matters. Their wealth of skills, knowledge and experience have enabled them to contribute meaningfully and objectively to the Board as independent non-executive Directors and their independence from management was not considered to have been diminished by their years of service.

The Nomination Committee had taken into account the respective contributions of Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia to the Board and their commitment to their roles. The Nomination Committee was satisfied that each of Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia has the required integrity, skills and experience to continue fulfilling the role of an independent non-executive Director, and that Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia's long service on the Board would not affect their exercise of independent judgement. Through exercising the scrutinizing and monitoring function of independent non-executive director, they had contributed to the effectiveness of the Board for the interest of the Shareholders.

The Company has received written annual confirmation of independence from each independent non-executive Director pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules.

## Board Meetings

All the Directors have full and timely access to the management for any information to enable them to make informed decisions, as well as the advice and services of the company secretary of the Company (the “**Company Secretary**”) with a view of ensuring that Board procedures and all applicable rules and regulations are followed. The Board has agreed procedures to enable each Director to seek independent professional advice in appropriate circumstances at the Company’s expenses.

Each Director has given sufficient time and attention to the affairs of the Company. Owing to the Chairman’s encouragement to the Directors to make full and active contribution to the affairs of the Board, a culture of openness and debate is developing among the Directors to ensure Board decisions fairly reflected consensus. Four Board meetings and two general meetings of the Company were held during the year ended 31 March 2024 and the attendances of each Board member are set out below:

	Number of meetings attended/eligible to attend	
	Board meetings	General meetings
<b>Executive Directors</b>		
Mr. Ng Man Sun ( <i>Chairman and CEO</i> )	0/4	0/2
Ms. Ng Wai Yee ( <i>resigned on 5 June 2024</i> )	4/4	2/2
<b>Independent Non-executive Directors</b>		
Ms. Yeung Pui Han, Regina	4/4	2/2
Mr. Li Chi Fai ( <i>resigned on 3 January 2024</i> )	4/4	2/2
Ms. Sie Nien Che, Celia	4/4	1/2
Mr. Yuen Sing Wai Lester ( <i>appointed on 1 February 2024</i> )	–	–

Board meeting schedules and draft agendas of each meeting are made available to the Directors in advance. Notice of each regular Board meeting is served to all Directors at least 14 days before the meeting. For other Board or Board committee meeting, reasonable notice is generally given. Board papers together with all adequate, accurate, appropriate, clear, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or Board committee meeting or promptly upon request by the Directors to keep the Directors apprised of the latest developments and financial position of the Company. With the full support of the management of the Company, such Board papers and materials are provided in a timely manner and in a form and quality sufficient with appropriate explanation to enable the Board to make informed decisions.

The Company Secretary is responsible for keeping minutes of all Board meetings and Board committee meetings. Draft minutes are normally circulated to the Directors for comments within a reasonable time after each meeting and the final version is open for the Directors’ inspection. According to the current Board practices, any material transaction, which involves a conflict of interests for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting. The Company’s Bye-laws also contain provisions requiring Director(s) to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Director(s) or any of his/her/their associates have a material interest.

# Corporate Governance Report

## Appointment and re-election of Directors

The Company has established formal, considered and transparent procedures for the appointment of the Directors. The Nomination Committee is responsible for considering the suitability of individual to act as a Director and to make recommendations to the Board on appointment or re-election of Directors.

All the Directors entered into letters of appointment with the Company without specific term of office. However, their term of office each is the period up to his/her retirement by rotation or retirement, but eligible for re-election at general meetings of the Company in accordance with the Company's Bye-laws. In accordance with the Company's Bye-laws, the Company may from time to time in general meeting elect any person to be a Director to fill a casual vacancy or as an addition to the Board. The Directors shall have power from time to time to appoint any person as a Director either to fill a casual vacancy or, subject to the authorization by Shareholders in general meeting, as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting (in the case of filling a casual vacancy) or until the next following AGM (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting. At each AGM, one-third of the Directors for the time being shall retire from office by rotation provided that each Director shall be subject to retirement by rotation at least once every three years at the AGM.

Each Director has disclosed to the Company at the time of his/her appointment or election, and in a timely manner of any changes in number of offices held in public companies or organizations and other significant commitments. A list of the Directors identifying their roles and functions is available on the websites of Company and the Stock Exchange. The Directors and their biographical details as at the date of this report are set out on page 29 of this report.

## Directors' Training and Continuous Professional Development

Every newly appointed Director will be arranged a comprehensive, formal and tailored induction at the time of his/her appointment or election, so as to ensure that he/she has appropriate understanding of the operations and business of the Company, and that he/she is fully aware of his/her responsibilities under the Listing Rules and relevant other regulatory requirements and the Company's business and governance policies.

Directors are continually updated on the latest development of the Listing Rules, legal and other regulatory requirements to ensure compliance and upkeep of good corporate governance practice. The Company encourages all Directors to participate in continuous professional development to develop and refresh their knowledge and skill. During the Year under Review and up to the date of this report, all Directors have provided their records of training they received to the Company for record and a summary of which is as follows:

### Forms of continuous training and professional development (*Notes*)

#### Directors

##### Executive Directors

	A	B	C
Mr. Ng Man Sun	√	√	–
Ms. Ng Wai Yee ( <i>resigned on 5 June 2024</i> )	√	√	–

##### Independent Non-executive Directors

Ms. Yeung Pui Han, Regina	√	√	–
Mr. Li Chi Fai ( <i>resigned on 3 January 2024</i> )	√	√	√
Ms. Sie Nien Che, Celia	√	√	–
Mr. Yuen Sing Wai Lester ( <i>appointed on 1 February 2024</i> )	√	√	√



Notes:

- A. Reading new/journal/magazine/other reading materials and/or attending in-house training as regards legal and regulatory changes and matters of relevance in the discharge of the duties as a listed company director. Each of the Directors has attended the training session arranged by the Company on the updates on ESG matters.
- B. Reading memoranda issued or information and materials provided from time to time by the Company regarding the business of the Group, legal and regulatory changes and matters of relevance in the discharge of the duties as a listed company director.
- C. Participation in continuous professional training and seminars/conferences/courses/workshops on subjects relating to directors' duties, corporate governance and other matters of relevance.

## BOARD COMMITTEES

Four Board committees, namely Audit Committee, Compliance Committee, remuneration committee of the Company (the "**Remuneration Committee**") and the Nomination Committee were established under the Board to oversee their respective functions set out below, and to report to the Board on their decisions or recommendations. Each committee or each committee member is allowed to obtain independent professional advice and services at the Company's expenses.

### Audit Committee

As at 31 March 2024 and up to the date of this report, the Audit Committee comprised three independent non-executive Directors, namely Mr. Yuen Sing Wai Lester, Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia, and is chaired by Mr. Yuen Sing Wai Lester who has substantial accounting and related financial management expertise.

The main duties of the Audit Committee are to review, monitor and provide supervision over the Company's financial reporting process, risk management and internal control system, perform corporate governance duties delegated by the Board and maintain an appropriate relationship with the Company's auditor. The roles and functions of the Audit Committee are clearly set out in terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

Three Audit Committee meetings were held during the year ended 31 March 2024. The attendances of each Audit Committee member are set out as follows:

	<b>Number of meetings attended/ eligible to attend</b>
<b>Independent Non-executive Directors</b>	
Ms. Yeung Pui Han, Regina	3/3
Mr. Li Chi Fai ( <i>resigned on 3 January 2024</i> )	3/3
Ms. Sie Nien Che, Celia	3/3
Mr. Yuen Sing Wai Lester ( <i>appointed on 1 February 2024</i> )	–

# Corporate Governance Report

The major works performed by the Audit Committee during the Year under Review and up to the date of this report include the following:

- reviewed and recommended for the Board’s approval the draft audited consolidated financial statements of the Year under Review together with the auditor’s report attached thereto and the draft announcement of the 2024 Annual Results, and the draft unaudited consolidated financial statements and announcement of the interim result for the six months ended 30 September 2023 (the “**2023 Interim Results**”).
- reviewed tax issues, compliance and salient features of 2024 Annual Results and 2023 Interim Results.
- discussed with the auditor the nature and scope of the audit and reporting obligations.
- considered and recommended to the Board for the terms of engagement and fee proposals provided by the auditor.
- reviewed the appointment of the auditor.
- recommended to the Board for the proposal for the re-appointment of Elite Partners CPA Limited as the auditor of the Company at the forthcoming AGM.
- reviewed the appointment of the internal auditor and the internal audit plan.
- reviewed the effectiveness of the financial controls, risk management and internal control system of the Company.
- reviewed the Company’s application of its policy and practices of corporate governance and disclosures in this report.
- reviewed the training and continuous professional development of the Directors and senior management.
- reviewed arrangements for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters.

The chairman of the Audit Committee will report the findings and recommendations, if any, to the Board after each meeting. During the year ended 31 March 2024, the Board had no disagreement with the Audit Committee’s view on the selection and appointment of the external auditor.

## Compliance Committee

As at 31 March 2024 and up to the date of this report, the Compliance Committee comprised one executive Director, namely Mr. Ng Man Sun, one independent non-executive Director, namely Mr. Yuen Sing Wai Lester and the Company Secretary, Mr. Man Yun Wah, and is chaired by Mr. Ng Man Sun.

The main duties of the Compliance Committee are to formulate, review, approve, and monitor the Company's policies and practices on compliance with legal and regulatory requirements, supervise the implementation and monitor the efficiency and effectiveness of the compliance management system. The roles and functions of the Compliance Committee are clearly set out in terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

One Compliance Committee meeting was held during the year ended 31 March 2024. The attendances of each Compliance Committee member are set out as follows:

	<b>Number of meetings attended/ eligible to attend</b>
Mr. Ng Man Sun ( <i>appointed on 5 June 2024</i> )	–
Ms. Ng Wai Yee ( <i>resigned on 5 June 2024</i> )	1/1
Mr. Li Chi Fai ( <i>resigned on 3 January 2024</i> )	–
Mr. Man Yun Wah	1/1
Mr. Yuen Sing Wai Lester ( <i>appointed on 1 February 2024</i> )	1/1

The major works performed by the Compliance Committee during the Year under Review and up to the date of this report include the following:

- reviewed the Company's compliance with the CG code and disclosure in the CG Report.
- reviewed the Company's compliance with legal and regulatory requirements.
- monitored the training and continuous professional development of the Directors and senior management.
- prepared and submitted summary reports to the Board on the overall compliance performance and corporate governance practices of the Company.

# Corporate Governance Report

## Remuneration Committee

As at 31 March 2024 and up to the date of this report, the Remuneration Committee comprised two independent non-executive Directors, namely Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia, and is chaired by Ms. Yeung Pui Han, Regina.

The main duties of the Remuneration Committee are to review the Company's policy on remuneration structure, approve the management's remuneration by reference to corporate goals and objectives of the Company, recommend to the Board on the remuneration packages of the independent non-executive Directors, review and determine the remuneration packages for the executive Directors with delegated responsibility according to the model set out in code provision E.1.2(c)(i) of the CG Code and review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules as adopted by the terms of reference of the Remuneration Committee. No Director will determine his/her own remuneration. The roles and functions of the Remuneration Committee are clearly set out in the terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

One Remuneration Committee meeting was held during the year ended 31 March 2024. The attendances of each Remuneration Committee member are set out below:

	<b>Number of meetings attended/ eligible to attend</b>
<hr/>	
<b>Independent Non-executive Directors</b>	
Ms. Yeung Pui Han, Regina	1/1
Ms. Sie Nien Che, Celia	1/1

The major works performed by the Remuneration Committee during the Year under Review and up to the date of this report include the following:

- recommended to the Board on the remuneration packages of the independent non-executive Directors.
- reviewed the terms of services contracts of all Directors.
- reviewed and approved the remuneration package of each Executive Director and senior management including benefit in kind, pension right and bonus payment.
- determined remuneration proposals of the management linked with the Company's performance towards its goals and objectives and individual performance.
- considered the Group's position relative to comparable companies, time commitment and responsibilities and employment conditions in terms of remuneration packages and salary payments.

The Company has adopted a director remuneration policy, it sets out the general principles which guide the Group to deal with the remuneration matters. This remuneration policy aims to provide a fair market level of remuneration to retain and motivate high quality directors, senior management of the Group and attract experienced people of high calibre to oversee the business and development of the Group.

## Nomination Committee

As at 31 March 2024 and up to the date of this report, the Nomination Committee comprised one executive Director, namely Mr. Ng Man Sun, and two independent non-executive Directors, namely Ms. Yeung Pui Han, Regina and Ms. Sie Nien Che, Celia, and is chaired by Mr. Ng Man Sun.

The main duties of the Nomination Committee are to review the structure, size and diversity (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board, make recommendations on the selection of individual to act as a Director and on appointment or re-election of Directors to complement the corporate strategy of the Company, and assess the independence of the independent non-executive Directors. The roles and functions of the Nomination Committee are clearly set out in terms of reference which are no less exacting than the CG Code and are available on the websites of the Company and the Stock Exchange.

# Corporate Governance Report

One Nomination Committee meeting was held during the year ended 31 March 2024. The attendances of each Nomination Committee member are set out below:

	<b>Number of meetings attended/ eligible to attend</b>
<hr/>	
<b>Executive Director</b>	
Mr. Ng Man Sun	0/1
<b>Independent Non-executive Directors</b>	
Ms. Yeung Pui Han, Regina	1/1
Ms. Sie Nien Che, Celia	1/1

The Company continued to monitor the board composition in order to maintain an appropriate mix and balance of talent, skills, experience and background on the Board. The major works performed by the Nomination Committee during the Year under Review and up to the date of this report include the following:

- reviewed the structure, size and diversity (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board.
- recommended to the Board on re-election of the Directors.
- assessed the independence of independent non-executive Directors.

## REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The remuneration paid to and/or entitled by each of the Directors and senior management for the Year under Review is set out in notes 12 and 13 to the consolidated financial statements for the Year under Review.

## AUDITOR'S REMUNERATION

For the year ended 31 March 2024, the fee paid and payable to Elite Partners CPA Limited in respect of audit services was HK\$750,000 and no fee was paid or payable to Elite Partners CPA Limited for non-audit services.

The management would identify the risks associate with the business of the Group by considering both internal and external factors and events which include political, economic, technology, environmental, social and staff. Each of risks has been assessed and prioritised based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results, type of risk management strategy has been listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
- Risk avoidance: change business process or objective so as to avoid the risk;
- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market; and
- Risk transfer: transfer ownership and liability to a third party.

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact results from the risks. The risk management and internal control system are design to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Audit Committee and the Board, having considered the availability of internal resources and the qualification requirement of internal audit, agreed to engage an external advisory firm to undertake the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. No significant deficiency and weakness on the internal control system has been identified by the external advisory firm for the year ended 31 March 2024.

The Board considered that, for the year ended 31 March 2024, the risk management and internal control system and procedures of the Group, covering all material controls including financial, operational and compliance controls and risk management functions were reasonably effective and adequate.

## WHISTLEBLOWING POLICY AND ANTI-CORRUPTION POLICY

The Company has established the whistleblowing policy which allows all employees and independent third parties, including customers, suppliers and contractors, to report any possible improprieties, misconducts, malpractices or irregularities in matters of financial reporting, internal control or other matters to the Board or the Audit Committee anonymously. The Group will handle the reports and complaints with care and will treat the whistle-blower's concerns fairly and properly. The Audit Committee has the overall responsibility for the whistleblowing policy but has delegated day-to-day responsibility for overseeing and implementing it to a designated officer. Any person who is found to have victimized or retaliated against those who have raised concerns under this policy will subject to disciplinary sanctions.

The Group has adopted anti-corruption policy on a zero tolerance basis for any form of corruption, including bribery and extortion, fraud and money laundering, and promise to operate our business in an honest, ethical and creditable manner. The policies are revised in due course and all Directors and employees are reminded with its requirement from time to time. In particular, the Group has established a code of conduct and stipulated in the compliance manual of the Company. Additionally, the Group has implemented an effective internal manual on inside information or price sensitive information and has provided separate channels for the reporting of any suspected business irregularities, fraud and corruption.

Please refer to the "2024 Environmental, Social and Governance Report" of the Company for more details.

## COMPANY SECRETARY

Mr. Man Yun Wah ("**Mr. Man**") has professional qualification and extensive experiences to discharge his duties as the Company Secretary. He reports to the Chairman and the CEO. He is mainly responsible for advising the Board on governance matters, promoting Directors' participation in continuing professional development training, ensuring good flow of information among the Board members and the Board policy and procedures are followed.

During the Year under Review, Mr. Man has attended no less than 15 hours of professional training to refresh and develop his skills and knowledge.

## COMMUNICATION WITH SHAREHOLDERS

The CG Code requires the Company to have an ongoing dialogue with Shareholders and it is the responsibility of the Board as a whole to ensure that satisfactory dialogue takes place. The Company's AGM provides a useful forum for the Shareholders to exchange views with the Board and the Company welcomes the Shareholders to attend the AGM. The Directors and representative(s) of the auditor of the Company will attend the AGM and be available to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

Separate resolutions are proposed at general meetings on each substantially separate issue, including election or re-election of individual Directors at the AGM, and all resolutions put to the vote of a general meeting were taken by way of a poll. The results of the poll were published on the websites of the Company and the Stock Exchange respectively.

Another communication channel between the Company and the Shareholders is through the publication of its interim and annual reports and other publications of the Company from time to time. The Company's branch share registrar serves the Shareholders with respect to all share registration matters.



## SHAREHOLDERS' RIGHTS

### Procedures for Shareholders to Convene Special General Meeting

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting (the "SGM") to be called by the Board for the transaction of any business specified in such requisition; and such SGM shall be held within two months after the deposit of such requisition, provided that such written requisition is verified to be valid, proper and in order.

The requisition must state the purposes of the SGM, and must be signed by the requisitionists and deposited at the Company's head office and principal place of business in Hong Kong and may consist of several documents in like form each signed by one or more requisitionists.

If within twenty-one days of such deposit the Board fails to proceed to convene such SGM, the requisitionists themselves, or any of them representing more than one half of the total voting rights of all of them, may convene a SGM, but the SGM so convened shall not be held after the expiration of three months from the said date.

### Shareholders' Enquiries to the Board

Investors or Shareholders are welcomed to contact the Group's investor relations consultant for any enquiries. Their contact details are as follows:

DLK Advisory Limited  
Room 906, 9/F. Nan Fung Tower  
88 Connaught Road Central  
Hong Kong

Details of the poll voting procedures and rights of Shareholders to demand a poll are included in the circular to Shareholders dispatched together with the annual report. The circular also includes details of the procedures and the timetable of proposing appropriate candidates to stand for election as Directors at an AGM, and the requirements of relevant details of proposed resolutions, including biographies of each candidate standing for election and whether such candidates are considered to be independent.

## INVESTOR RELATIONS

The Group believes that maintaining active communication and operational transparency is vital to building good investor relations. During the Year under Review, the Group has retained a professional public relation company to maintain continuous communication with various investors and held meetings regularly with analysts and institutional investors from around the world, if appropriate.

# Directors' Report

The Directors present their report and the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 March 2024.

## PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holdings. The principal activities of its subsidiaries during the Year under Review are set out in note 32 to the consolidated financial statements for the Year under Review.

An analysis of the Group's performance for the Year under Review by operating segments is set out in note 7 to the consolidated financial statements for the Year under Review.

## RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2024 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 40.

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

The forthcoming AGM will be held on Monday, 30 September 2024. A notice of which shall be sent to the shareholders of the Company in accordance with the Bye-laws of the Company, the Listing Rules and other applicable laws and regulations.

## CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the forthcoming AGM, the register of members of the Company will be closed from Wednesday, 25 September 2024 to Monday, 30 September 2024, both days inclusive, during which no transfer of shares of the Company will be registered. To be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 24 September 2024 or at another time and/or date as advised.

## DIVIDEND POLICY

The Company has adopted a dividend policy (the “**Dividend Policy**”) setting out the principles and guidelines regarding declaration and payment of dividends. The declaration and payment of dividends is subject to the discretion of the Board. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall consider, among others, (a) the Company’s actual and expected financial performance; (b) retained earnings and distributable reserves of the Company and each of the members of the Group; (c) the Group’s working capital requirements, capital expenditure requirements and future expansion plans; (d) the Group’s liquidity position; (e) general economic conditions, business cycle of the Group’s business and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and (f) other factors that the Board may considered relevant.

The declaration or payment of dividends by the Company is also subject to any restrictions under the laws of Bermuda and the Company’s Bye-laws. The Company does not have any pre-determined dividend distribution ratio. The Company’s dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future. The Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time. The Board will continually review the Dividend Policy and reserve the right in its sole and absolute discretion to update, amend and modify the Dividend Policy at any time.

## SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 110 of this report.

## BUSINESS REVIEW

The business review of the Group for the Year under Review is set out in the Management Discussion and Analysis on pages 5 to 8 of this report, which forms part of this report, and the paragraphs below.

### Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations. The work of our Board and the Board committees, in particular the Compliance Committee, contributes to our commitment to compliance efforts. During the Year under Review, the Company was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on it.

### Relationship with Employees

The Group actively manages its employee relations on which its success depends. The Group believes that developing superior human resources with knowledge, skill and experience is essential to the achievement of its objectives. Specifically, the Group provides in-house training, subsidy for attending seminars and encourages sharing of ideas through employees’ meeting. These training and development enable the Group to enhance improvement in the knowledge and skills needed from the employees as they become one of the key strengths of the Group.

# Directors' Report

## Relationship with Customers and Suppliers

The Directors believe that maintaining good relationships with customers has been one of the critical reasons for the Group's success. Our business model is to maintain and build on our strong relationships within our client base. To deliver the best products and experiences to our valued customers, we engaged with them by collecting their views and assessing their expectations through a wide range of communication channels. The Group is constantly looking ways to improve customer relations through enhanced services.

The Group has maintained good relationship with the suppliers to ensure their continued support to the Group in the foreseeable future.

## EVENTS AFTER THE REPORTING PERIOD

On 3 May 2024, Wisdom Ocean, a wholly-owned subsidiary of the Group, has entered into the Casino Agreement with LongBay Entertainment Co., Ltd. for the lease and operation of the VIP Rooms in Dara Sakor. The agreement is effective for a term of three years from the date of passing the relevant resolution at the special general meeting of the Company. Details are set out in the announcement of the Company dated 3 May 2024. Up to the date of this report, the aforesaid special general meeting in relation to the lease and operation of the VIP Rooms had not been held yet.

In June 2024, the Group had entered into the offsetting arrangement with Mr. Ng to offset the balances included in "Other receivables" and "Other borrowings" between the Group and himself amounting to HK\$30,684,000. The remaining balance due from Mr. Ng will be repaid on 30 June 2025 as per agreement.

## FIXED ASSETS

Details of the movements during the Year under Review in the property, plant and equipment of the Group are set out in note 17 to the consolidated financial statements for the Year under Review.

## SUBSIDIARIES

Details of the Company's subsidiaries as at 31 March 2024 are set out in note 32 to the consolidated financial statements for the Year under Review.

## SHARE CAPITAL

Details of the movements in the Company's share capital during the Year under Review are set out in note 28 to the consolidated financial statements for the Year under Review.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**2012 Scheme**") on 12 September 2012 which was valid and effective for 10 years from its date of adoption and expired on 12 September 2022. During the year ended 31 March 2024, 568,868 options were lapsed under the 2012 Scheme. As at 31 March 2024, there were 3,269,086 options outstanding under the 2012 Scheme.

Details of the 2012 Scheme are set out in note 30 to the consolidated financial statements for the Year under Review.

The movements of the Company's share options outstanding under the 2012 Scheme during the year ended 31 March 2024 are as follows:

	Date of Grant	No. of share options ('000)			As at 31 March 2024 (Note 2)	Exercise period (day/month/year)	Adjusted exercise price HK\$ (Notes 2, 4)
		As at 1 April 2023 (Note 2)	Granted	Lapsed			
<b>Directors</b>							
Mr. Ng Man Sun	05/02/2013 (Note 1)	-	-	-	-	05/02/2013 - 04/02/2023	12.41
	03/03/2014	25	-	(25)	-	03/03/2014 - 02/03/2024	13.45
	10/03/2015	25	-	-	25	10/03/2015 - 09/03/2025	7.01
	01/12/2017	610	-	-	610	01/12/2017 - 30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018 - 16/12/2028	2.00
Ms. Ng Wai Yee (resigned on 5 June 2024)	05/02/2013 (Note 1)	-	-	-	-	05/02/2013 - 04/02/2023	12.41
	03/03/2014	25	-	(25)	-	03/03/2014 - 02/03/2024	13.45
	10/03/2015	25	-	-	25	10/03/2015 - 09/03/2025	7.01
	25/04/2016	25	-	-	25	25/04/2016 - 24/04/2026	3.70
	01/12/2017	610	-	-	610	01/12/2017 - 30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018 - 16/12/2028	2.00
Ms. Yeung Pui Han, Regina	05/02/2013 (Note 1)	-	-	-	-	05/02/2013 - 04/02/2023	12.41
	03/03/2014	25	-	(25)	-	03/03/2014 - 02/03/2024	13.45
	10/03/2015	25	-	-	25	10/03/2015 - 09/03/2025	7.01
	25/04/2016	25	-	-	25	25/04/2016 - 24/04/2026	3.70
	01/12/2017	61	-	-	61	01/12/2017 - 30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018 - 16/12/2028	2.00
Mr. Li Chi Fai (resigned on 3 January 2024)	03/03/2014	25	-	(25)	-	03/03/2014 - 02/03/2024	13.45
	10/03/2015	25	-	(25)	-	10/03/2015 - 09/03/2025	7.01
	25/04/2016	25	-	(25)	-	25/04/2016 - 24/04/2026	3.70
	01/12/2017	61	-	(61)	-	01/12/2017 - 30/11/2027	2.80
	17/12/2018	61	-	(61)	-	17/12/2018 - 16/12/2028	2.00
Ms. Sie Nien Che, Celia	03/03/2014	25	-	(25)	-	03/03/2014 - 02/03/2024	13.45
	25/04/2016	25	-	-	25	25/04/2016 - 24/04/2026	3.70
	01/12/2017	61	-	-	61	01/12/2017 - 30/11/2027	2.80
	17/12/2018	61	-	-	61	17/12/2018 - 16/12/2028	2.00
<b>Eligible employees</b>							
	05/02/2013 (Note 1)	-	-	-	-	05/02/2013 - 04/02/2023	12.41
	03/03/2014	24	-	(24)	-	03/03/2014 - 02/03/2024	13.45
	10/03/2015	-	-	-	-	10/03/2015 - 09/03/2025	7.01
	25/04/2016	-	-	-	-	25/04/2016 - 24/04/2026	3.70
	01/12/2017	-	-	-	-	01/12/2017 - 30/11/2027	2.80
	17/12/2018	-	-	-	-	17/12/2018 - 16/12/2028	2.00
<b>Service providers</b>							
	05/02/2013 (Note 1)	-	-	-	-	05/02/2013 - 04/02/2023	12.41
	03/03/2014	248	-	(248)	-	03/03/2014 - 02/03/2024	13.45
	10/03/2015	124	-	-	124	10/03/2015 - 09/03/2025	7.01
	01/12/2017	610	-	-	610	01/12/2017 - 30/11/2027	2.80
	17/12/2018	800	-	-	800	17/12/2018 - 16/12/2028	2.00
In aggregate		3,839	-	(569)	3,270		

# Directors' Report

## Notes:

1. The exercise price of the share options has been changed from HK\$0.077 to HK\$1.540 as a result of the share consolidation passed by the shareholders at a special general meeting of the Company held on 27 March 2013, whereby every 20 shares of the Company of HK\$0.01 each were consolidated into 1 new share of the company of HK\$0.20 each. Pursuant to the open offer of the Company completed on 16 May 2016, the number of share options were adjusted and the exercise price of the share options was also adjusted from HK\$1.540 to HK\$1.241.
2. Pursuant to the open offer of the Company completed on 16 May 2016, the number of share options were adjusted and the exercise prices of the share options granted on 5 February 2013, 3 March 2014, 10 March 2015 and 25 April 2016 were also adjusted from HK\$1.540 to HK\$1.241, from HK\$1.670 to HK\$1.345, from HK\$0.870 to HK\$0.701 and from HK\$0.459 to HK\$0.370 respectively.
3. At the AGM held on 9 August 2016, shareholders have approved to refresh the general mandate limit that the total number of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme must not exceed 10% of the shares of the Company in issue on the date of that AGM.
4. Pursuant to the share consolidation passed by the shareholders at a special general meeting of the Company held on 1 March 2021 and took effect on 3 March 2021, the number of share options were adjusted and the exercise prices of the share options granted on 5 February 2013, 3 March 2014, 10 March 2015, 25 April 2016, 1 December 2017 and 17 December 2018 were also adjusted from HK\$1.241 to HK\$12.41, from HK\$1.345 to HK\$13.45, from HK\$0.701 to HK\$7.01, from HK\$0.370 to HK\$3.70 from HK\$0.280 to HK\$2.80 and from HK\$0.200 to HK\$2.00 respectively.

## RESERVES

Details of the movements in the reserves of the Group are set out in the consolidated statement of changes in equity on page 42 of this report.

## DISTRIBUTABLE RESERVES

As at 31 March 2024, in the opinion of the Directors of the Company, the reserves of the Company available for distribution to shareholders is Nil (2023: Nil).

## DIRECTORS

The Directors during the Year under Review and up to the date of this report were:

### Executive Directors

Mr. Ng Man Sun (*Chairman and Chief Executive Officer*)

Ms. Ng Wai Yee (*resigned on 5 June 2024*)

### Independent Non-executive Directors

Ms. Yeung Pui Han, Regina

Ms. Sie Nien Che, Celia

Mr. Li Chi Fai (*resigned on 3 January 2024*)

Mr. Yuen Sing Wai Lester (*appointed on 1 February 2024*)

In accordance with the provisions of the Company's Bye-laws, Mr. Ng Man Sun, Ms. Sie Nien Che, Celia and Mr. Yuen Sing Wai Lester will retire at the forthcoming AGM and, being eligible, offer themselves for re-election.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### Executive Directors

**Mr. Ng Man Sun ("Mr. Ng")**, aged 77, also known as Ng Wai, has been appointed as an executive Director and appointed as the Chairman and Chief Executive Officer of the Company since 12 September 2012. He is a shareholder of the Company and father of Ms. Ng Wai Yee, an executive Director. Mr. Ng is well-known amongst the Macau casino business and is the founding chairman of the Association of Casino intermediaries of Macau.

### Independent Non-executive Directors

**Ms. Yeung Pui Han, Regina ("Ms. Yeung")**, aged 67, has been appointed as an independent non-executive Director since 12 September 2012. Ms. Yeung is a merchant in Canada in respect of high end leisure and entertainment business. She had been appointed as the President of Tradewinds Production Limited, a Canadian corporation.

**Ms. Sie Nien Che, Celia ("Ms. Sie")**, aged 50, has been appointed as an independent non-executive Director since 22 February 2013. Ms. Sie is the founder and chief executive officer of JACSO Entertainment, a well known entertainment based group of companies in Hong Kong. Ms. Sie is a holder of bachelor degree in Arts from the University of Hong Kong and a member of Hong Kong United Youth Association.

**Mr. Yuen Sing Wai Lester ("Mr. Yuen")**, aged 35, has been appointed as an independent non-executive Director since 1 February 2024. He has over 12 years of work experience in the fields of legal, accounting, compliance (the Sarbanes-Oxley Act, company secretarial and listing matters). He has gained solid professionalism from senior and/or managerial positions in audit and assurance and advisory arms of two of the Big Four accounting firms and regional compliance office in a dual-listed European multinational healthcare company. Mr. Yuen holds degrees in Bachelor of Law and Bachelor of Commerce in Accounting with Distinction from University of New South Wales. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants.

### Company Secretary

**Mr. Man Yun Wah ("Mr. Man")**, aged 41, has extensive professional experience in company secretarial profession. Mr. Man holds a bachelor's degree in business administration and management and a master's degree in corporate governance. He is currently an associate member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.

## DIRECTORS' SERVICE CONTRACTS

Each of Mr. Ng Man Sun, Ms. Yeung Pui Han, Regina, Ms. Sie Nien Che, Celia and Mr. Yuen Sing Wai Lester has entered into a letter of appointment with the Company without specific term of office and may be terminated by either party by written notice of not less than three months.

Save as disclosed above, no Director who is proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries, which is not determinable within one year without payment of compensation, other than statutory obligations.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Other than the transactions disclosed under the section headed "CONNECTED TRANSACTIONS" below, there was no transactions, arrangements and contracts of significance in relation to the Group's business, to which the Company or its subsidiaries was a party and in which a Director or his or her connected entity has or had a material beneficial interest, whether directly or indirectly, subsisted at 31 March 2024 or at any time during the Year under Review.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed below, during the year ended 31 March 2024, none of the Directors has any interest in a business which causes or may cause a significant competition with the business of the Company and any other conflicts of interest which any such person has or may have with the Company.

The Group is principally engaged in the gaming business. Mr. Ng Man Sun has an interest and held directorship in Lion King Entertainment Company Limited ("**Lion King**") which engaged in the same business of operating gaming tables at the same casino in Cambodia (the "**Casino**") as the Group. As such, he is regarded as being interested in such competing business with the Group. For safeguarding the interests of the Group, it is noted that the minimum bet of the 4 gaming tables being operated by the Group (the "**Gaming Tables**") is set at a rate lower than the other baccarat tables while the maximum bet is set at the same rate as the other baccarat tables, which is expected to attract more potential players to play at the Gaming Tables. On the other hand, whether to operate all or part of the gaming tables in the mass gaming area of the Casino is subject to the operation environment of the Casino and the decision of the management of the Casino, whereby the Casino may close operation of any mass gaming tables from time to time. Lion King and Mr. Ng Man Sun have jointly undertaken to the Group that while the Casino is operating, in no circumstances the Casino will consider to close the Gaming Tables.



## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

Save as disclosed below, as at 31 March 2024, none of the Directors and chief executive of the Company and their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register(s) and kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code set out in Appendix C3 to the Listing Rules.

### Long Position in shares and underlying shares of the Company

Name of Directors	Capacity	Number of shares held	Number of underlying shares held	Total	Approximate percentage of issued share capital
Mr. Ng Man Sun	Beneficial owner	35,841,459	225,695,826 <i>(Note 1)</i>	261,568,022	203.96%
	Interest in a controlled corporation <i>(Note 3)</i>	30,737	–	30,737	0.02%
	<b>Total</b>	35,872,196	225,695,826 <i>(Note 1)</i>	261,598,759	203.98%
Ms. Ng Wai Yee <i>(resigned on 5 June 2024)</i>	Beneficial owner	–	720,652 <i>(Note 2)</i>	720,652	0.56%
Ms. Yeung Pui Han, Regina	Beneficial owner	–	171,652 <i>(Note 2)</i>	171,652	0.13%
Ms. Sie Nien Che, Celia	Beneficial owner	30,000	146,826 <i>(Note 2)</i>	176,826	0.14%

#### Notes:

- These interests represent the number of underlying shares in respect of (i) the 2012 Scheme (695,826 underlying shares); and (ii) the Convertible Bond issued to Mr. Ng Man Sun on 31 March 2022 (100,000,000 underlying shares) and on 31 December 2023 (125,000,000 underlying shares) respectively. Details of the 2012 Scheme are set out under the section headed "SHARE OPTION SCHEME" of the Directors' Report, and details of the Convertible Bond are set out under the sub-section headed "Subscription of the Convertible Bond" of the Management Discussion and Analysis respectively. The exercise of the conversion rights under the Convertible Bond shall be subject to compliance with the Listing Rules, the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code") or applicable laws or regulations.
- These interests represent the number of underlying shares in respect of the 2012 Scheme, the details of which are set out under the section headed "SHARE OPTION SCHEME" of the Directors' Report.
- For 30,737 shares being held by East Legend Holdings Limited ("**East Legend**"), Mr. Ng Man Sun is interested in the entire issued share capital of East Legend and he is deemed to be interested in the 30,737 Shares held by East Legend.

## SUBSTANTIAL SHAREHOLDERS

As at 31 March 2024, other than interests as disclosed above in respect of Mr. Ng Man Sun as Director, the Chairman and CEO, Ms. Ng Wai Yee, Ms. Yeung Pui Han, Regina, Ms. Sie Nien Che, Celia and Mr. Yuen Sing Wai Lester as Directors, the following persons had interests or short positions in the shares and underlying shares of the Company as recorded in the register(s) required to be kept under Section 336 of the SFO.

<b>Name</b>	<b>Capacity</b>	<b>Number of shares held</b>	<b>Approximate percentage of issued share capital</b>
Ms. Cheng Wai Man	Beneficial owner	9,621,212	7.50%
Mr. Huang Wei Qiang	Beneficial owner	8,690,000	6.78%
Mr. Wong Kam Wah	Beneficial owner	8,254,212	6.44%

## CONNECTED TRANSACTIONS AND PROFIT GUARANTEE

References are made to the announcements of the Company dated 27 February 2023, 7 March 2023 and 31 December 2023. On 31 December 2023, VMG, Lion King and Mr. Ng entered into a termination agreement (the "**Termination Agreement**"), pursuant to which VMG, Lion King and Mr. Ng mutually agreed to terminate the New Assignment Agreement immediately. Upon the execution of the Termination Agreement, the duties and obligations of VMG, Lion King and Mr. Ng under the New Assignment Agreement have been released and discharged. VMG has not paid any deposit in respect of the Assignment and neither party shall make any compensation to the other.

Pursuant to the terms of the New Assignment Agreement, in the event the conditions are not fulfilled by 31 December 2023 (the "**Long Stop Date**"), the New Assignment Agreement will be terminated. Pursuant to Rule 14.69(4)(b)(i) of the Listing Rules, a profit and loss statement and valuation for the three preceding financial years in the identifiable net income stream in relation to the New Gaming Table Business Rights must be reviewed by the auditors or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records. For the preparation of the profit and loss statement on the identifiable net income stream in relation to the New Gaming Table Business Rights in strict compliance with Rule 14.69(4)(b) (i) of the Listing Rules, full access to the underlying books and records of Lion King covering the relevant period is required. Lion King is able to provide the underlying books and records for income and expense, including the net gaming win, gaming tax and food and beverage charge (the "**Direct Costs**") that are directly related to the New Gaming Table Business Rights and recorded in their books, which is clearly identified without making any allocation. The auditor of the Company has access to the book and records of Lion King in relation to these Direct Costs. However, certain operating expenses, including staff cost and room and food charges (the "**Indirect Costs**") were provided by Lion King based on estimation and no cost allocation was prepared.

As of 31 December 2023, it is regretted that the Company was still unable to have access to the book and records of Lion King in relation to the Indirect Costs. As a result, the SGM will not be convened and the conditions precedent to the New Assignment Agreement cannot be fulfilled by the Long Stop Date. Accordingly, the Termination Agreement was entered into between VMG, Lion King and Mr. Ng, and the Assignment will not proceed. The Board considers that the terms of the Termination Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole and the termination of the New Assignment Agreement has no impact on the operations or financial position of the Group. In the meantime, the Company is in negotiating a casino lease and operation agreement for the operation of a VIP room in Long Bay, Say Phuthong Boulevard, Dara Sakor, Koh Kong Province, Cambodia with LongBay Entertainment Co., Ltd. to carry out gaming activities with the relevant gaming license provided by LongBay Entertainment Co., Ltd. If such transaction materializes, the Company will make further announcements as and when appropriate in accordance with the Listing Rules.

Reference is made to the announcement of the Company dated 16 October 2023. On 16 October 2023, the Company entered into the Subscription Agreement with Mr. Ng, pursuant to which Mr. Ng had agreed to subscribe for the Convertible Bond with a principal amount of HK\$32,000,000. As all the conditions precedent were fulfilled and an approval from the Shareholders was obtained at the special general meeting of the Company held on 8 December 2023, the Convertible Bond with a principal amount of HK\$32,000,000 interest free and conversion price of HK\$0.256 has been issued to Mr. Ng on 31 December 2023.

## ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under sections headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES" and "SHARE OPTION SCHEME" above, at no time during the Year under Review was the Company, or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate and neither the Directors nor any of their spouses or children under 18 years of age, had any right to subscribe for shares or debt securities of the Company, or had exercised any such rights during the Year under Review.

## PERMITTED INDEMNITY PROVISION

Code provision C.1.8 of the CG Code provides that an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The Company does not have insurance cover in this respect. The management of the Company considers that all potential claims and legal actions the Directors can be handled effectively and the possibility of actual litigation against the Directors is relatively low based on its business operations for the year ended 31 March 2024. The Company will consider to arrange for an appropriate insurance in accordance with the requirements of code provision C.1.8 of the CG Code as and when appropriate.

## MANAGEMENT CONTRACTS

Save for service contracts, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or subsisting during the year ended 31 March 2024.

## EQUITY-LINKED AGREEMENTS

Save for disclosed under the sections headed "FINANCIAL REVIEW" and "BUSINESS REVIEW" in the Management Discussion and Analysis on pages 5 to 8 of this report and the section headed "SHARE OPTION SCHEME" on pages 26 to 28 of this report, no equity-linked agreement that will or may result in the Company issuing shares or no agreement that requires the Company to enter into an agreement that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 March 2024 or subsisted at the end of the financial year.

## RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes of the Group and the employees' costs charged to the consolidated statement of profit or loss and other comprehensive income for the Year under Review are set out in note 14 to the consolidated financial statements for the Year under Review.

## EMPLOYMENT AND REMUNERATION POLICY

As at 31 March 2024, the Group employed 9 permanent employees in Hong Kong (2023: 10). The gender ratio of the Group's workforce (including senior management) was approximately 56% male to approximately 44% female. The Group shall continue to take into account diversity perspectives including gender diversity in its hiring of employees from time to time. The Group is aware of the importance of human resources and is dedicated to retaining competent and talented employees by offering them competitive remuneration packages. Their salaries and bonuses were determined by reference to their duties, work experience, performance and prevailing market practices. The Group also participates in the Mandatory Provident Fund scheme in Hong Kong, and provides employees with medical insurance coverage. A share option scheme is in place to reward individual employees for their outstanding performance and contribution to the success of the Group.

## MAJOR CUSTOMERS AND SUPPLIERS

During the Year under Review, no revenue was generated and no purchase was recorded.

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had any beneficial interests in the Group's major customers and suppliers.

## RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group are set out in note 31 to the consolidated financial statements for the Year under Review.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the financial year ended 31 March 2024.

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there was sufficiency of public float of the Company's securities as required under the Listing Rules.

## CORPORATE GOVERNANCE

Throughout the Year under Review, the Company has complied with all the code provisions contained in Appendix C1 to the Listing Rules, save for certain deviations as explained in the corporate governance report of this report. Principal corporate governance practices adopted by the Company are set out in the corporate governance report on pages 9 to 23 of this report.

## CONFIRMATION OF INDEPENDENCE

The Company has received written confirmation in respect of independence from each of the current Independent Non-executive Directors of the Company in compliance with Rule 3.13 of the Listing Rules, thus, the Company considers that each of them to be independent.

## AUDITOR

Elite Partners shall retire and, being eligible, offer themselves for re-appointment. A resolution for re-appointment of Elite Partners as the auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

**Ng Man Sun**

*Chairman*

Hong Kong, 25 June 2024



## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF CENTURY ENTERTAINMENT INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

## DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Century Entertainment International Holdings Limited (The "**Company**") and its subsidiaries (together referred as the "**Group**") set out on pages 40 to 109, which comprise the consolidated statement of financial position at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR DISCLAIMER OF OPINION

### Going Concern

As explained in note 3(b) to the consolidated financial statements, the Group incurred a net loss attributable to the owners of the Company of approximately HK\$24,209,000 and had net cash outflows from operating activities of approximately HK\$6,893,000 for the year ended 31 March 2024. At the same date, the Group had net current liabilities of approximately HK\$21,592,000 and net liabilities of approximately HK\$79,776,000.

The operation of the Group's gaming and entertainment business (the "**Gaming Business**") in Kingdom of Cambodia ("**Cambodia**") was suspended from 1 April 2020 up to the date of this report.

In addition, the Group proposed to enter into a leasing agreement to rent a VIP room from a casino located in Cambodia (the "**Lease**") to operate the Gaming Business. The Lease is subject to the approval of the regulatory bodies and shareholders of the Company. Details are set out in the announcements dated 3 May 2024, 27 May 2024 and 21 June 2024.

# Independent Auditor's Report

## BASIS FOR DISCLAIMER OF OPINION (Continued)

### Going Concern (Continued)

These conditions, along with other matters as set out in note 3(b) to the consolidated financial statements indicate that material uncertainties exist that may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group's liquidity and financial position, which are set out in note 3(b) to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including:

- (i) successfully raising additional new sources of financing as and when needed, including the further undertaking by Mr. Ng Man Sun ("**Mr. Ng**") not to demand for the payment of the amount due to him of convertible bond with principal amount of HK\$50,000,000 and HK\$32,000,000 which will be due for repayment on 30 September 2025 and 30 December 2026, respectively and will further provide sufficient financial supports for the Group's working capital for a period of at least 12 months until 30 June 2025. In addition, other borrowings from third parties amounted to HK\$58,000,000 are personally guaranteed by Mr. Ng;
- (ii) resuming the gaming table business which to be located in a new casino in Dara Sakor Investment Zone, Cambodia, subject to obtaining regulatory body and shareholder approval for the Lease. Up to the date of this report, the approval had not been obtained yet. And, the actual financial performance of the gaming table business in the future may not be able to meet the forecast result projected by the management of the Group.

We have not been provided with sufficient appropriate audit evidence to conclude on the appropriateness of management's use of the going concern basis of accounting in the preparation of the consolidated financial statements because of the lack of evidence provided by management in relation to (i) the financial ability of Mr. Ng to provide financial support to the Group, and (ii) the underlying data and assumptions applied in forecasted result of the Group in its going concern assessment which take into account the uncertainty of outcome of these plans and measures and how variability in outcome would affect the future cash flows of the Group. Any adjustment found to be required may have consequential significant effects on the consolidated net liabilities of the Group as at 31 March 2024 and the consolidated loss and total comprehensive expense and cash flows of the Group for the year ended 31 March 2024, and the related elements and disclosures thereof in the consolidated financial statements.





## RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors of the Company determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee are responsible for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by HKICPA and to issue an auditor's report, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liabilities to any other person for the contents of this report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to form an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Chow Ka Li with Practising Certificate Number P07809.

### **Elite Partners CPA Limited**

*Certified Public Accountants*

Level 23, YF Life Tower  
33 Lockhart Road  
Wanchai, Hong Kong

Hong Kong  
25 June 2024

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	6	–	–
Cost of sales		–	–
<b>Gross profit</b>		–	–
Other income and gains	8	132	140
Written-off/impairment loss on intangible assets	18	–	(23,452)
Impairment loss on plant and equipment	17	–	(7)
Impairment loss on right-of-use assets	19	(2,470)	–
Impairment loss on accounts and other receivables, net of reversal		(572)	(15,996)
Fair value gain on financial assets and financial liabilities at fair value through profit or loss, net		–	2,118
General and administrative expenses		(10,804)	(16,941)
Finance costs	9	(10,495)	(8,411)
<b>Loss before taxation</b>		(24,209)	(62,549)
Income tax credit	10	–	–
<b>Loss for the year attributable to the owners of the Company</b>	11	(24,209)	(62,549)
<b>Loss and total comprehensive expense for the year attributable to owners of the Company</b>		(24,209)	(62,549)
<b>Loss per share</b>			
– Basic and diluted (HK cents)	16	(18.88)	(48.77)

# Consolidated Statement of Financial Position

At 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Plant and equipment	17	44	311
Right of use assets	19	-	-
Deposits paid	20	-	7,905
		<u>44</u>	<u>8,216</u>
<b>Current assets</b>			
Other receivables	21	86,461	79,093
Cash and cash equivalents	22	3,937	3,807
		<u>90,398</u>	<u>82,900</u>
<b>Current liabilities</b>			
Other payables	23	21,342	14,838
Other borrowings	24	88,684	112,677
Lease liabilities	25	1,230	-
Tax payables		734	734
		<u>111,990</u>	<u>128,249</u>
<b>Net current liabilities</b>		<u>(21,592)</u>	<u>(45,349)</u>
<b>Total assets less current liabilities</b>		<u>(21,548)</u>	<u>(37,133)</u>
<b>Non-current liabilities</b>			
Lease liabilities	25	214	-
Convertible bonds	26	58,014	30,364
		<u>58,228</u>	<u>30,364</u>
<b>NET LIABILITIES</b>		<u>(79,776)</u>	<u>(67,497)</u>
<b>Equity</b>			
Share capital	28	1,282	1,282
Reserves	29	(81,058)	(68,779)
<b>TOTAL DEFICIT</b>		<u>(79,776)</u>	<u>(67,497)</u>

The consolidated financial statements on pages 40 to 109 were approved and authorised for issue by the Board of Directors on 25 June 2024 and are signed on its behalf by:

**Ng Man Sun**  
Chairman

# Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	<b>Share capital</b>	<b>Share premium</b>	<b>Special reserve</b>	<b>Contributed surplus</b>	<b>Capital reserve</b>	<b>Convertible bonds reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note 28)	(note 29(b)(i))	(note 29(b)(ii))	(note 29(b)(iii))	(note 29(b)(iv))	(note 29(b)(v))		
At 1 April 2022	1,282	571,880	(22,470)	2,435,239	32,030	9,863	(3,054,494)	(26,670)
Loss and total comprehensive expenses for the year	-	-	-	-	-	-	(62,549)	(62,549)
Effect of share options forfeitures	-	-	-	-	(6,291)	-	6,291	-
Transfer upon maturity	-	-	-	-	9,863	(9,863)	-	-
Issuance of new convertible bonds	-	-	-	-	13,956	7,766	-	21,722
At 31 March 2023	<u>1,282</u>	<u>571,880</u>	<u>(22,470)</u>	<u>2,435,239</u>	<u>49,558</u>	<u>7,766</u>	<u>(3,110,752)</u>	<u>(67,497)</u>
At 1 April 2023	1,282	571,880	(22,470)	2,435,239	49,558	7,766	(3,110,752)	(67,497)
Loss and total comprehensive expenses for the year	-	-	-	-	-	-	(24,209)	(24,209)
Effect of share option forfeitures	-	-	-	-	(6,770)	-	6,770	-
Issuance of new convertible bonds	-	-	-	-	-	11,930	-	11,930
At 31 March 2024	<b>1,282</b>	<b>571,880</b>	<b>(22,470)</b>	<b>2,435,239</b>	<b>42,788</b>	<b>19,696</b>	<b>(3,128,191)</b>	<b>(79,776)</b>

# Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000
<b>Operating activities</b>		
Loss before taxation	(24,209)	(62,549)
Adjustments for:		
Depreciation of plant and equipment	267	348
Impairment loss on right-of-use assets	2,470	–
Amortisation of intangible assets	–	4,690
Interest expenses	10,495	8,411
Interest income	(132)	(19)
Written-off/impairment loss on intangible assets	–	23,452
Impairment loss on plant and equipment	–	7
Impairment loss on accounts and other receivables, net of reversal	572	15,996
Fair value gain on financial assets and financial liabilities at fair value through profit or loss, net	–	(2,118)
<b>Operating cash flows before movements in working capital</b>	<b>(10,537)</b>	<b>(11,782)</b>
(Increase)/decrease in accounts and other receivables	(113)	115
Increase/(decrease) in other payables	3,757	(799)
<b>Net cash used in operating activities</b>	<b>(6,893)</b>	<b>(12,466)</b>
<b>Investing activity</b>		
Bank interest received	71	19
<b>Net cash generated from investing activity</b>	<b>71</b>	<b>19</b>

# Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	2024 HK\$'000	2023 HK\$'000
<b>Financing activities</b>		
Interest paid	(107)	–
Proceeds from other borrowings	8,007	12,498
Repayment of lease liabilities	(948)	–
<b>Net cash generated from financing activities</b>	<b>6,952</b>	<b>12,498</b>
<b>Net increase in cash and cash equivalents</b>	<b>130</b>	<b>51</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,807</b>	<b>3,756</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,937</b>	<b>3,807</b>
<b>Analysis of cash and cash equivalents</b>		
Cash and cash equivalents	3,937	3,807

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 1. GENERAL INFORMATION

Century Entertainment International Holdings Limited (the “**Company**”) was incorporated and domiciled in Bermuda with limited liability and its shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The principal activity of the Company is investment holdings. The principal activities of its subsidiaries during the year are set out in note 32 to the consolidated financial statements.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

The Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) which are effective for the Group’s financial year beginning 1 April 2023:

- HKFRS 17 and Amendments to HKFRS 17, “Insurance Contract”
- Amendments to HKAS 1, “Classification of Liabilities as Current or Non-current and related Amendments to Hong Kong Interpretation 5 (2020)”
- 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 application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and position for the current and prior years and/or on the disclosures set out in these consolidated financial statements, except as described below:

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

### Change in accounting policy on offsetting arrangement in long service payment scheme in HKSAR

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

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

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPFLSP offsetting mechanism in HKSAR” (the “**Guidance**”) which provides clarified and detailed guidance on the accounting considerations relating to the abolition of the offsetting mechanism. The Guidance clarified that following the enactment of the Amendment Ordinance, LSP is no longer a “simple type of contributory plans” to which the Practical expedient had been intended to apply.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the Practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). The cumulative effect of recognising these adjustments as of 31 March 2023 or for the year then ended was not material and hence no adjustment was made to the beginning accumulated losses, or another component of equity.

### Impacts on application of amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. 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.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.



## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

### Impacts on application of amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies” (Continued)

HKFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial position and performance but has affected the disclosure of the Group’s accounting policies set out in note 3 to the consolidated financial statements.

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 issued but not yet effective

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

- Amendments to HKFRS 10 and HKAS 28, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”<sup>1</sup>
- Amendments to HKFRS 16, “Lease Liability in a Sale and Leaseback”<sup>2</sup>
- Amendments to HKAS 1, “Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)”<sup>2</sup>
- Amendments to HKAS 1, “Non-current Liabilities with Covenants”<sup>2</sup>
- Amendments to HKAS 7 and HKFRS 7, “Supplier Finance Arrangements”<sup>2</sup>
- Amendments to HKAS 21, “Lack of Exchangeability”<sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of the amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

### (b) Basis of preparation

#### (i) *Going Concern*

In preparing the consolidated financial statements, the directors of the Company have considered the future liquidity of the Group in view of its recurring losses incurred, operating cash outflows and net current liabilities position at 31 March 2024 and no revenue generated during the year. The Group incurred a net loss attributable to the owners of the Company of approximately HK\$24,209,000 and had net cash outflows from operating activities of approximately HK\$6,893,000 during the year ended 31 March 2024. At the same date, the Group has net current liabilities of approximately HK\$21,592,000 and net liabilities of approximately HK\$79,776,000.

It is noted by the directors of the Company that Mr. Ng Man Sun (“**Mr. Ng**”), the executive director, Chairman, Chief Executive Officer and substantial shareholder of the Company undertook that he will not call for repayment of the convertible bonds with principal amount of HK\$50,000,000 and HK\$32,000,000 which due for repayment on 30 September 2025 and 30 December 2026, respectively and will further provide sufficient financial supports for the Group’s working capital for a period of at least 12 months until 30 June 2025. In addition, other borrowings from third parties amounted to HK\$58,000,000 are personally guaranteed by Mr. Ng. The management of the Group will also resume the gaming tables business which to be located in a new casino in Dara Sakor Investment Zone, Cambodia, subject to obtaining the shareholders approval for entering lease agreement of VIP room in the casino. Details are set out in the announcement dated 3 May 2024. The Group will continue to take active measure to control administrative costs and containment of capital expenditures. Having taken into account of the abovementioned, the directors of the Company adopted the going concern basis in the preparation of the consolidated financial statements.

In the opinion of the directors of the Company, in light of the aforesaid arrangement implemented to date, the Group will have sufficient working capital for its current requirements and it is reasonable to expect that the Group will remain as a commercially viable concern. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements for the year ended 31 March 2024 on a going concern basis. Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the carrying amounts of assets to their recoverable amounts, to provide for future liabilities which might arise and to reclassify non-current assets and non-current liabilities to current respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (b) Basis of preparation (Continued)

#### (ii) *Historical cost basis of preparations*

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

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

### (c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Group has:

- the power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the Group's return.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (d) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

### (e) Plant and equipment

Plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to allocate the cost of items of plant and equipment less their residual values over their estimated useful lives, using the straight-line method, at the following rate per annum:

Furniture and equipment	3 to 5 years
Motor vehicles	5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset is recognised in profit or loss.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (f) Impairment on plant and equipment, right-of-use assets and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### (g) Investments in subsidiaries

Investments in subsidiaries are stated on the statement of financial position of the Company at cost less accumulated impairment loss.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (h) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for accounts receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 *Revenue from Contracts with Customers*. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ("FVTPL") are recognised immediately in profit or loss.

#### *Financial assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

#### *Financial assets at amortised cost (debt instruments)*

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (h) Financial instruments (Continued)

#### *Financial assets (Continued)*

##### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("**ECL**"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in the "Other income and gains" line item (note 8).

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (h) Financial instruments (Continued)

#### *Financial assets (Continued)*

##### *Impairment of financial assets*

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for accounts receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

##### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.



## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (h) Financial instruments (Continued)

#### *Financial assets (Continued)*

##### *Significant increase in credit risk (Continued)*

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default; ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

##### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (h) Financial instruments (Continued)

#### *Financial assets (Continued)*

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

##### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of accounts receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written-off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (h) Financial instruments (Continued)

#### *Financial assets (Continued)*

##### *Measurement and recognition of ECL*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

##### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

#### *Financial liabilities and equity instruments*

##### *Classification as debt or equity*

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (h) Financial instruments (Continued)

#### *Financial liabilities and equity instruments (Continued)*

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (h) Financial instruments (Continued)

#### *Financial liabilities and equity instruments (Continued)*

##### *Financial liabilities subsequently measured at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

##### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial asset derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (i) Convertible bonds

#### *Convertible bonds that contains liabilities component and conversion option derivate*

Convertible loan notes issued by the Company that contain both the liability and conversion option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible bonds reserve).

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible bonds reserve until the conversion option is exercised (in which case the balance stated in convertible loan notes equity reserve will be transferred to capital reserve). Where the option remains unexercised at the expiry date, the balance stated in convertible bonds equity reserve will be released to the capital reserve. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (j) Revenue

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a five-step approach to recognise revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Revenue recognition when (or as) the Group satisfies a performance obligation.

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (j) Revenue (Continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

Revenue is measured based on the consideration specified in a contract with a customer.

The Group recognised revenue from investments in gaming and entertainment related business and services for augmented reality ("AR")/virtual reality ("VR") and mobile games solutions.

### (k) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### (l) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.



## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (m) Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 30. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in capital reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in capital reserve will be transferred to accumulated losses.

### (n) Retirement benefit costs

The Group contributes to a defined contribution retirement scheme, Mandatory Provident Fund Scheme (the "**MPF Scheme**"), under the Mandatory Provident Fund Scheme Ordinance for all employees in Hong Kong. Contributions to the scheme are made based on a percentage of the employees' relevant income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed in the MPF Scheme.

### (o) Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (p) Taxation

Income tax expenses represents the sum of the tax currently payable and deferred taxation. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred taxation is calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

### (q) Offsetting financial instruments

Financial assets and liabilities of the Group are offset and the net amount presented in the consolidated statement of financial position when, and only when, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

### (r) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### (s) Lease

#### *Definition of a lease*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *The Group as lessee*

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease, at inception of the contract or modification date, as appropriate. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### *Lease liabilities*

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

### (s) Lease (Continued)

#### *The Group as lessee (Continued)*

#### *Lease liabilities (Continued)*

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

#### *Right-of-use assets*

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under HKAS 37 *Provision, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line item on the consolidated statement of financial position.

The Group applies HKAS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

### (a) Critical judgement in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

#### *Going concern basis*

As explained in note 3(b) to the consolidated financial statements, the financial position of the Group indicates the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The basis for adoption of going concern is set out in note 3(b) to the consolidated financial statements. Should the Group be unable to raise new financing or other measures fail to improve the liquidity of the Group and the Group is unable to continue in business as a going concern, adjustments would be needed to reduce the carrying amounts of the assets of the Group to their recoverable amounts and, to provide for further liabilities which might arise.

### (b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### *Loss allowance on other receivables and deposits paid*

The other receivables are assessed for impairment based on the expected loss model required by HKFRS 9 *Financial Instruments*. The assessment made by management has taken into account relevant historical information adjusted for forward looking information available to management at the date of assessment (to the extent that such information is reasonable and supportable without undue cost or effort). Impairment losses are recognised for the current year in accordance with the expected credit loss model under HKFRS 9 *Financial Instruments* and details are disclosed in note 5(b) and note 20.

Management has exercised judgment in estimating the amount of expected credit loss. If the actual outcome is different from management's estimate, an additional impairment loss or reversal of impairment loss may arise.

At 31 March 2024, the carrying amounts of other receivables and deposits paid were approximately HK\$85,806,000 (2023: HK\$78,473,000) and HK\$330,000 (2023: HK\$8,081,000) respectively, with accumulated loss allowance on other receivables and deposits paid of approximately HK\$19,025,000 (2023: HK\$16,764,000) and Nil (2023: HK\$1,689,000) respectively.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

The carrying amounts of each of the categories of financial instruments at the end of the reporting period are as follows:

	2024 HK\$'000	2023 HK\$'000
<b>Financial assets</b>		
<b>Financial assets at amortised cost</b>		
Other receivables	85,806	78,473
Deposits paid	330	8,081
Cash and cash equivalents	3,937	3,807
	<b>90,073</b>	<b>90,361</b>
<b>Financial liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Other payables	21,342	14,838
Other borrowings	88,684	112,677
Lease liabilities	1,444	–
Convertible bonds	58,014	30,364
	<b>169,484</b>	<b>157,879</b>

### (b) Financial risk management objectives and policies

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to those risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

#### (i) Interest rate risk

The Group's interest rate risk arises primarily from obligations under other borrowings and lease liabilities. The obligations under other borrowings and lease liabilities are at fixed interest rate which expose the Group to fair value interest rate risk. The Group does not expect any significant changes in fixed interest rate which might materially affect the Group's result of operations.

## 5. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### (ii) Currency risk

The Group is not exposed to significant currency risk as most of income, expenses and financial instruments are denominated in the functional currency of the operations to which they relate.

#### (iii) Credit risk and impairment assessment

The Group's credit risk was primarily attributable to deposits paid, other receivables and cash and cash equivalents. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

Substantially, all the Group's cash and cash equivalents are deposited in the banks in Hong Kong. The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

For other receivables and deposits paid, the Group has assessed whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset at the reporting date with the risk of default at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increase in credit risk on other financial instruments of the borrower; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### (iii) Credit risk and impairment assessment (Continued)

##### *The Group's exposure to credit risk*

In order to minimise credit risk, the Group has tasked its management to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the management uses other publicly available financial information and the Group's own trading records to rate its major debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

<b>Category</b>	<b>Definition</b>	<b>Basis for recognising ECL</b>
Performing	For financial assets where there has low risk of default or has not been a significant increase in credit risk since initial recognition and that are not credit impaired (refer to as Stage 1)	12-month ECL
Doubtful	For financial assets where there has been a significant increase in credit risk since initial recognition but that are not credit impaired (refer to as Stage 2)	Lifetime ECL – not credit impaired
Default	Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred (refer to as Stage 3)	Lifetime ECL – credit impaired
Written-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount written-off



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### (iii) Credit risk and impairment assessment (Continued)

*The Group's exposure to credit risk (Continued)*

The tables below detail the credit quality of the Group's financial assets, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

	Notes	Internal credit rating	12-month or life time ECL	2024			2023		
				Gross carrying amount	Loss allowance	Net carrying amount	Gross carrying amount	Loss allowance	Net carrying amount
				HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Deposits paid	20 and 21	Performing	12-month ECL	330	-	330	9,770	(1,689)	8,081
Other receivables	21	Performing	12-month ECL	104,831	(19,025)	85,806	95,237	(16,764)	78,473
					(19,025)			(18,453)	

The Group holds no collateral over the other receivables.

At 31 March 2024 and 2023, the Group has concentration risk as 99% (2023: 99%) of the total deposits paid and other receivables which was due from Mr. Ng and his associates.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### (iv) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of borrowings to cover expected cash demands, subject to approval by the Company's board of directors when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major loan lenders to meet its liquidity requirements in the short and longer term.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on current rates at the end of the reporting period) and the earliest date the Group can be required to pay:

	At 31 March 2024				Carrying amount HK\$'000
	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	Total contractual undiscounted cash flows HK\$'000	
Other payables	21,342	-	-	21,342	21,342
Lease liabilities	1,296	216	-	1,512	1,444
Other borrowings	88,684	-	-	88,684	88,684
Convertible bonds	-	50,000	32,000	82,000	58,014
	<b>111,322</b>	<b>50,216</b>	<b>32,000</b>	<b>193,538</b>	<b>169,484</b>

	At 31 March 2023				Carrying amount HK\$'000
	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	Total contractual undiscounted cash flows HK\$'000	
Other payables	14,838	-	-	14,838	14,838
Other borrowings	112,677	-	-	112,677	112,677
Convertible bonds	-	-	50,000	50,000	30,364
	<b>127,515</b>	<b>-</b>	<b>50,000</b>	<b>177,515</b>	<b>157,879</b>

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 5. FINANCIAL INSTRUMENTS (Continued)

### (b) Financial risk management objectives and policies (Continued)

#### (v) Fair value measurement

*Fair value of financial instruments that are not measured at fair value on a recurring basis*

The directors of the Company consider that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost using the effective interest rate method in the consolidated financial statements approximate their fair values.

## 6. REVENUE

An analysis of the Group's revenue is as follows:

	2024 HK\$'000	2023 HK\$'000
Investment in VIP room and gaming table	-	-
Services income derived from AR/VR and mobile games solutions	-	-

### (a) Investment in VIP room and gaming tables in Cambodia

Victor Mind Global Limited, a wholly-owned subsidiary of the Company, operates VIP room and gaming tables in Cambodia. The net gaming win was recognised when the relevant services had been rendered and was measured at the entitlement of economic inflows of the Group from this operation after deduction of commission.

No revenue is generated from the gaming tables business due to relocation to a new casino in Dara Sakor Investment Zone, Cambodia and potential acquisition of gaming table business was in progress during the year ended 31 March 2023.

During the year ended 31 March 2024, no revenue is generated from the gaming table business due to the potential acquisition was terminated on 31 December 2023.

### (b) Services income derived from AR/VR and mobile games solutions

MostCore Limited, a wholly-owned subsidiary of the Company, specialised in AR/VR entertainment developments and apps on mobile devices platforms and also provides customised IT and design solutions.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 7. SEGMENT INFORMATION

Information reported to the executive directors, being the chief operating decision maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The directors of the Company have chosen to organise the Group around differences in products and services. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

During the years ended 31 March 2024 and 2023, the Group's reportable segments are as follows:

- (i) Gaming and entertainment related businesses; and
- (ii) AR/VR and mobile games solutions.

These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that are regularly reviewed by the CODM. The following is an analysis of the Group's revenue and results by reportable and operating segments:

### (a) Segment revenues and results

*For the year ended 31 March 2024*

	<b>Gaming and entertainment HK\$'000</b>	<b>AR/VR and mobile games solutions HK\$'000</b>	<b>Total HK\$'000</b>
Segment revenue	-	-	-
Timing of revenue recognition Point in time	-	-	-
Segment loss	(196)	-	(196)
Unallocated income			132
Unallocated corporate expenses			(13,650)
Unallocated finance costs			(10,495)
Loss before taxation			(24,209)

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 7. SEGMENT INFORMATION (Continued)

### (a) Segment revenues and results (Continued)

*For the year ended 31 March 2023*

	Gaming and entertainment HK\$'000	AR/VR and mobile games solutions HK\$'000	Total HK\$'000
Segment revenue	—	—	—
Timing of revenue recognition			
Point in time	—	—	—
Segment loss	(40,919)	50	(40,869)
Unallocated income			140
Unallocated corporate expenses			(13,409)
Unallocated finance costs			(8,411)
Loss before taxation			(62,549)

Segment profit/(loss) represents the profit/(loss) of each segment without allocation of central administration costs, directors' emoluments, other income, finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 7. SEGMENT INFORMATION (Continued)

### (b) Segment assets and liabilities

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

<b>Segment assets</b>	<b>2024 HK\$'000</b>	2023 HK\$'000
Gaming and entertainment	<b>38,392</b>	38,558
AR/VR and mobile games solutions	<b>–</b>	–
Total segment assets	<b>38,392</b>	38,558
Unallocated corporate assets	<b>52,050</b>	52,558
Consolidated total assets	<b>90,442</b>	91,116
<b>Segment liabilities</b>	<b>2024 HK\$'000</b>	2023 HK\$'000
Gaming and entertainment	<b>–</b>	–
AR/VR and mobile games solutions	<b>734</b>	734
Total segment liabilities	<b>734</b>	734
Unallocated corporate liabilities	<b>169,484</b>	157,879
Consolidated total liabilities	<b>170,218</b>	158,613

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

- All assets are allocated to operating segment, other than unallocated right-of-use assets, deposits, prepayments and other receivables, bank balances and cash and other corporate assets; and
- All liabilities are allocated to operating segments, other than unallocated other payables and accruals, other borrowings, lease liabilities, convertible bonds and other corporate liabilities.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 7. SEGMENT INFORMATION (Continued)

### (c) Other segment information

*For the year ended 31 March 2024*

	<b>Gaming and entertainment</b>	<b>AR/VR and mobile games solutions</b>	<b>Unallocated</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
Amounts include in the measure of segment profit or segment assets:				
Depreciation of plant and equipment	-	-	<b>267</b>	<b>267</b>
Impairment losses on other receivables	<b>196</b>	-	<b>376</b>	<b>572</b>
Impairment losses on right of use assets	-	-	<b>2,470</b>	<b>2,470</b>
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:				
Interest income	-	-	<b>(132)</b>	<b>(132)</b>
Finance costs	-	-	<b>10,495</b>	<b>10,495</b>

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 7. SEGMENT INFORMATION (Continued)

### (c) Other segment information (Continued)

*For the year ended 31 March 2023*

	Gaming and entertainment HK\$'000	AR/VR and mobile games solutions HK\$'000	Unallocated HK\$'000	Total HK\$'000
Amounts include in the measure of segment profit or segment assets:				
Written-off/impairment loss on intangible assets	23,452	–	–	23,452
Amortisation of intangible assets	4,690	–	–	4,690
Depreciation of plant and equipment	80	–	268	348
Impairment losses on accounts and other receivables, net of reversal	10,579	(50)	5,467	15,996
Impairment losses on plant and equipment	–	–	7	7
Fair value gain on financial assets and financial liabilities at FVTPL, net	(2,118)	–	–	(2,118)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:				
Interest income	–	–	(19)	(19)
Finance costs	–	–	8,411	8,411



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 7. SEGMENT INFORMATION (Continued)

### (d) Geographical information

The Group's revenue from external customers by geographical market is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Hong Kong	-	-

The Group's information about its non-current assets by geographical location of the assets is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Hong Kong	<b>44</b>	311
Cambodia	-	7,905
Total	<b>44</b>	8,216

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 8. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains is as follows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Bank interest income	<b>132</b>	19
Government subsidy (note a)	<b>-</b>	121
	<b>132</b>	140

*Note:*

- (a) During the year ended 31 March 2023, the Group recognised government subsidy of approximately HK\$121,000 in respect of COVID-19-related subsidy, which is related to Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region under the Anti-Epidemic Fund. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees. There are no unfulfilled conditions and other contingencies attached to the receipt of subsidy.

## 9. FINANCE COSTS

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Interest on lease liabilities	<b>107</b>	-
Interest on other borrowings	<b>2,808</b>	2,800
Interest on convertible bonds	<b>7,580</b>	5,611
	<b>10,495</b>	8,411

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 10. INCOME TAX CREDIT

	2024 HK\$'000	2023 HK\$'000
Hong Kong Profits Tax	-	-
Deferred tax (note 27)	-	-
Income tax credit	-	-

Pursuant to the rules and regulations of Bermuda, British Virgin Islands ("**BVI**") and Cambodia, the Group is not subject to any income tax in Bermuda, BVI and Cambodia.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to a nominated qualifying entity in the Group for its annual period beginning on or after 1 April 2018.

Reconciliation between tax credit and loss before taxation per the consolidated statement of profit or loss and other comprehensive income at applicable tax rates is as follows:

	2024 HK\$'000	2023 HK\$'000
Loss before taxation	(24,209)	(62,549)
Tax at the rates applicable in the tax jurisdictions concerned	(3,962)	(4,702)
Tax effect of expenses not deductible for tax purposes	3,948	5,028
Tax effect of income not taxable for tax purposes	(22)	(361)
Tax effect of temporary differences not recognised	36	35
Income tax credit	-	-

Details of the deferred taxation are set out in note 27 to the consolidated financial statements.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 11. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

### (a) Staff costs

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Directors' emoluments	<b>1,493</b>	1,802
Salaries, allowances and other benefits	<b>2,556</b>	2,457
Contributions to retirement benefits scheme (excluding contributions for directors)	<b>50</b>	56
	<b>4,099</b>	4,315

### (b) Other items

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Depreciation of plant and equipment	<b>267</b>	348
Impairment loss on plant and equipment	<b>-</b>	7
Impairment loss on accounts and other receivable, net of reversal	<b>572</b>	15,996
Impairment loss on right-of-use assets	<b>2,470</b>	-
Amortisation of intangible assets	<b>-</b>	4,690
Auditor's remuneration	<b>750</b>	750

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 12. DIRECTORS' EMOLUMENTS

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follows:

### For the year ended 31 March 2024

	Directors' fees HK\$'000	Salaries, allowances and other benefits HK\$'000	Contributions to retirement benefits scheme HK\$'000	Total HK\$'000
<b>Executive Directors</b>				
Mr. Ng Man Sun ( <i>Chairman and Chief Executive Officer</i> )	-	300	-	300
Ms. Ng Wai Yee (resigned on 5 June 2024)	-	732	18	750
<b>Independent Non-executive Directors</b>				
Ms. Yeung Pui Han, Regina	144	-	-	144
Mr. Li Chi Fai (resigned on 3 January 2024)	127	-	-	127
Ms. Sie Nien Che, Celia	144	-	-	144
Mr. Yuen Sing Wai Lester (appointed on 1 February 2024)	28	-	-	28
	<b>443</b>	<b>1,032</b>	<b>18</b>	<b>1,493</b>

### For the year ended 31 March 2023

	Directors' fees HK\$'000	Salaries, allowances and other benefits HK\$'000	Contributions to retirement benefits scheme HK\$'000	Total HK\$'000
<b>Executive Directors</b>				
Mr. Ng Man Sun ( <i>Chairman and Chief Executive Officer</i> )	-	600	-	600
Ms. Ng Wai Yee (resigned on 5 June 2024)	-	732	18	750
<b>Independent Non-executive Directors</b>				
Ms. Yeung Pui Han, Regina	144	-	-	144
Mr. Li Chi Fai (resigned on 3 January 2024)	164	-	-	164
Ms. Sie Nien Che, Celia	144	-	-	144
	<b>452</b>	<b>1,332</b>	<b>18</b>	<b>1,802</b>

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 12. DIRECTORS' EMOLUMENTS (Continued)

Salaries, allowances and other benefits paid to the executive directors are generally emoluments paid or receivable in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

Mr. Ng Man Sun is also the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive Officer.

During the year ended 31 March 2024, no emoluments (2023: nil) were paid by the Group to any of the directors as inducement to join or upon ended 31 March 2024 joining the Group or as a compensation for loss of office. None of the directors waived or agreed to waive any emolument for the years ended 31 March 2024 and 2023.

## 13. INDIVIDUAL WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2023: two) were directors of the Company whose emoluments are disclosed in note 12 above. The emoluments of the remaining three (2023: three) highest paid individuals were as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries, allowances and other benefits	985	962
Contributions to retirement benefits scheme	41	36
	<b>1,026</b>	998

The emoluments of the three (2023: three) individual with highest emoluments are within the following bands:

	Number of individuals	
	2024	2023
Nil to HK\$1,000,000	3	3
HK\$1,000,001 – HK\$1,500,000	–	–
HK\$1,500,001 – HK\$2,000,000	–	–

## 14. RETIREMENT BENEFIT COSTS

### Defined contribution retirement scheme

The Group has arranged for its Hong Kong employees to join the MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The MPF Scheme is a defined contribution retirement scheme managed by independent trustees. Under the MPF Scheme, each of the Group (the employer) and its employees makes monthly contributions to the scheme at 5% of the employees' relevant income as defined under the Mandatory Provident Fund Schemes Ordinance. The contributions from each of the employer and employees are subject to a cap of HK\$1,500 per month with effective from 1 June 2014.

The total cost charged to consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2024 of approximately HK\$68,000 (2023: HK\$74,000) represents contributions paid and payable to these schemes by the Group for the year at rates specified in the rules of the relevant schemes.

## 15. DIVIDENDS

The directors of the Company do not recommend the payment of a dividend for the year ended 31 March 2024 (2023: nil).

## 16. LOSS PER SHARE

### (a) Basic loss per share

The calculation of basic loss per share was based on the loss for the year attributable to owners of the Company of HK\$24,209,000 (2023: HK\$62,549,000) and the weighted average number of 128,247,561 (2023: 128,247,561) ordinary shares in issue during the years ended 31 March 2024 and 2023.

### (b) Diluted loss per share

No adjustment has been made to basic loss per share amounts presented for the years ended 31 March 2024 and 2023 in respect of the potential dilution of share options and convertible bonds as the impact of the share options and convertible bonds had an anti-dilutive effect on the basic loss per share amounts presented.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 17. PLANT AND EQUIPMENT

	<b>Furniture and equipment</b> HK\$'000	<b>Motor vehicles</b> HK\$'000	<b>Total</b> HK\$'000
<b>COST</b>			
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	1,641	1,338	2,979
<b>ACCUMULATED DEPRECIATION</b>			
At 1 April 2022	1,554	759	2,313
Charge for the year	80	268	348
Impairment	7	-	7
At 31 March 2023 and 1 April 2023	1,641	1,027	2,668
Charge for the year	-	267	267
At 31 March 2024	1,641	1,294	2,935
<b>NET CARRYING AMOUNTS</b>			
At 31 March 2024	-	44	44
At 31 March 2023	-	311	311



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 18. INTANGIBLE ASSETS

	<b>Non-competition agreement</b> HK\$'000 (note a)	<b>License right of gaming tables</b> HK\$'000 (note b)	<b>Total</b> HK\$'000
<b>COST</b>			
At 1 April 2022	24,100	68,000	92,100
Written-off	<u>(24,100)</u>	<u>(68,000)</u>	<u>(92,100)</u>
At 31 March 2023	<u>–</u>	<u>–</u>	<u>–</u>
<b>AMORTISATION AND IMPAIRMENT</b>			
At 1 April 2022	24,100	39,858	63,958
Charge for the year	–	4,690	4,690
Written-off	<u>(24,100)</u>	<u>(44,548)</u>	<u>(68,648)</u>
At 31 March 2023	<u>–</u>	<u>–</u>	<u>–</u>
<b>NET CARRYING AMOUNTS</b>			
At 31 March 2023	<u>–</u>	<u>–</u>	<u>–</u>

Notes:

- (a) The non-competition agreements (the "NCA") represent the respective management undertakings among the Group and two key personnel of the MostCore Limited (the "Personnel"), an indirect wholly-owned subsidiary of the Company (the "Agreement"). Pursuant to the Agreement, each of the Personnel undertake to be an employee of the relevant member of MostCore Limited for a minimum of five years since the date of acquisition of Explicitly Grand Investments Limited and its subsidiaries (i.e. 18 October 2017) and that each of them shall not participate whether directly or indirectly, in any business or activities which will or may compete with the business of MostCore Limited during the six-month period upon their respective ceasing to be an employee of the relevant member of MostCore Limited. The breach of such undertaking by either of the Personnel would trigger a penalty of HK\$5,000,000 each (i.e. a total of HK\$10,000,000) which will be compensated by the breaching party in proportion to the remaining term (rounded up to the nearest month) of the 5-year employment contract to the whole term of such contract. The useful life of the NCA is 5 years since the acquisition date.
- (b) On 31 March 2020, Victor Mind Global Limited, a subsidiary of the Company, acquired the license right of gaming tables of a casino in Cambodia for 5 years from Lion King Entertainment Company Limited ("Lion King") (the assigner), a company wholly owned by Mr. Ng, a director of the Company and also the substantial shareholder of the Company by (i) disposal of 60% equity interest of Forenzia Enterprise Limited and its subsidiaries and (ii) issue of promissory note with principal amount of HK\$62,000,000 to Mr. Ng. The license right of gaming tables was initially recognised at fair value, which was regarded as its cost at acquisition date ("Original assignment agreement").

During the year ended 31 March 2023, the Original assignment agreement as supplemented by the supplemental framework agreement in relation to the license right of gaming tables has been repudiated by the Group as a result of enforcement of the profit guarantee and therefore ceased to have any effect. Therefore, the Group is not entitled to the gaming table business rights under the Original assignment agreement and the license rights are fully written-off.

In addition, the Group entered into an assignment of new license right of eight gaming table ("New Eight Gaming Table") with a company controlled by Mr. Ng. The consideration of such assignment will be settled by offsetting the profit guarantee receivable due from Mr. Ng of approximately HK\$58,000,000 and recognised as intangible assets upon completion of the new assignment agreement. Such potential acquisition was terminated on 31 December 2023.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 19. RIGHT-OF-USE ASSETS

The Group leases a property with a lease period of 2 years as its staff quarters. The payment is fixed throughout the lease period.

	<b>Leased buildings</b> HK\$'000
At 1 April 2022 and 31 March 2023 and 1 April 2023	–
Addition	2,470
Impairment loss recognised	(2,470)
At 31 March 2024	–

### Amounts recognised in profit or loss

	<b>2024</b> HK\$'000	2023 HK\$'000
Expenses relating to short-term leases	–	960
Impairment loss on right-of-use assets	<b>2,470</b>	–
Interest on lease liabilities	<b>107</b>	–
Total cash outflow for leases	<b>1,055</b>	960

The management of the Group performed impairment assessment upon recognition of the right-of-use assets. The management of the Group identified that the carrying amount is in excess of its estimated recoverable amount due to operation loss from the Group. An impairment loss of right-of-use assets of HK\$2,470,000 was recognised in the profit or loss.

At 31 March 2024 and 31 March 2023, no lease agreement not yet commenced is committed by the Group.

## 20. DEPOSITS PAID

The deposits paid represented a refundable security deposit for preparation work in regarding to gaming tables in a new casino located in Dara Sakor Investment Zone, Koh Kong Province, Cambodia, which was paid in prior years to a related company wholly owned by Mr. Ng, which is also the assignor of the license right of gaming table.

At 31 March 2023, accumulated impairment loss of approximately HK\$1,689,000 was recognised.

Due to the termination of the potential acquisition of license right of gaming tables, the deposit was then assigned to Mr. Ng on 29 March 2024 and reclassified as other receivables under current portion.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 21. OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Other receivables (note a)	85,806	78,473
Other deposits	330	176
Prepayments	86,136 325	78,649 444
	<b>86,461</b>	79,093

Notes:

(a) Other receivables

	2024 HK\$'000	2023 HK\$'000
Other receivables	104,831	95,237
Less: Loss allowance for other receivables	(19,025)	(16,764)
	<b>85,806</b>	78,473

At 31 March 2024, the gross amounts of other receivables mainly comprised of amount due from Mr. Ng of approximately HK\$46,831,000 (2023: HK\$37,237,000), and profit guarantee receivable from Mr. Ng and Lion King of approximately HK\$58,000,000 (2023: HK\$58,000,000). Other receivables from Mr. Ng and Lion King are unsecured, interest-free and repayable on demand. The maximum amount outstanding during the year is approximately HK\$85,806,000 (2023: HK\$86,378,000).

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 21. OTHER RECEIVABLES (Continued)

Notes: (Continued)

### (a) Other receivables (Continued)

The Group measures the loss allowance for other receivables at an amount equal to 12-month ECL. The Group recognised 12-month ECL for other receivables based on the internal credit rating of receivables as follows:

	<b>Expected loss rate</b>	<b>Gross carrying amount</b> HK\$'000	<b>Loss allowance</b> HK\$'000
At 31 March 2024			
Performing	18.1%	104,831	19,025
At 31 March 2023			
Performing	17.6%	95,237	16,764

The movement of loss allowance for other receivables is set out below:

	<b>12-month ECL</b> HK\$'000
At 1 April 2022	11,664
Impairment loss recognised in profit or loss during the year	14,357
Written-off	(9,257)
At 31 March 2023 and 1 April 2023	16,764
Transfer from impairment loss on deposits paid	1,689
Impairment loss recognised in profit or loss during the year	572
At 31 March 2024	<b>19,025</b>

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 22. CASH AND CASH EQUIVALENTS

Cash and cash equivalent include the following for the purpose of the consolidated statement of cash flows:

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Cash at bank and in hand	<b>699</b>	701
Short-term bank deposit	<b>3,238</b>	3,106
	<b>3,937</b>	3,807

At 31 March 2024, the short-term bank deposit carry fixed interest rate of 4.2% (2023: 4.2%) per annum.

## 23. OTHER PAYABLES

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
Accruals and other payables	<b>10,203</b>	6,507
Interest payable (note 24)	<b>11,037</b>	8,229
Advance from an independent third party	<b>102</b>	102
	<b>21,342</b>	14,838

All the accruals and other payables are expected to be settled within one year.

The advance from an independent third party is unsecured, interest free and repayable on demand.

Included in the accruals was the accrued director salary to Mr. Ng amounting to HK\$2,811,000 (2023: HK\$2,511,000).

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 24. OTHER BORROWINGS

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Loan from a director (note a)	<b>30,684</b>	54,677
Other loans from independent third parties (note b)	<b>58,000</b>	58,000
	<b>88,684</b>	112,677

Notes:

- (a) Loan from a director, Mr. Ng, is unsecured, interest free and repayable on demand.
- (b) Other loans from independent third parties with an amount of HK\$30,000,000 (2023: HK\$30,000,000) was transferred from the convertible bonds with principal amount of HK\$30,000,000 on the maturity date of 23 October 2020. Such other loans are unsecured, interest free and repayable on demand and guaranteed by Mr. Ng.

The remaining amount of other loans from independent third parties of HK\$28,000,000 (2023: HK\$28,000,000) are unsecured, subject to interest at 10% p.a., and repayable on demand and guaranteed by Mr. Ng.

At 31 March 2024, the accrued interest for other loans from independent third parties are recorded in interest payable (note 23) was approximately HK\$11,037,000 (2023: HK\$8,229,000).

Movements of the other borrowings are as below:

	<b>Loan from a director</b>	<b>Other loans from independent third parties</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000
At 1 April 2022	42,179	58,000	100,179
Transfer from convertible bonds	50,000	–	50,000
Issuance of convertible bonds	(50,000)	–	(50,000)
Loan from a director	12,498	–	12,498
At 31 March 2023 and 1 April 2023	54,677	58,000	112,677
Issuance of convertible bonds	(32,000)	–	(32,000)
Loan from a director	8,007	–	8,007
At 31 March 2024	<b>30,684</b>	<b>58,000</b>	<b>88,684</b>

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 25. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods:

	Minimum lease payments		Present value of minimum lease payments	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Within one year	1,296	–	1,230	–
Within two to five years	216	–	214	–
Less: Total future interest expenses	(68)	–	N/A	N/A
Present value of lease obligations	1,444	–	1,444	–
Less: Amount due for settlement within 12 months (shown under current liabilities)			(1,230)	–
Amount due for settlement after 12 months			214	–

Movement of lease liabilities is as follows:

	2024 HK\$'000	2023 HK\$'000
At 1 April	–	–
New lease contract	2,392	–
Interest on lease liabilities	107	–
Repayment during the year	(1,055)	–
At 31 March	1,444	–

The incremental borrowing rate applied to lease liabilities is 7.70%.

At 31 March 2024 and 31 March 2023, no lease agreement not yet commenced is committed by the Group.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 26. CONVERTIBLE BONDS

	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
CB1 – principal amount of HK\$50 million (note a)	–	–
CB2 – principal amount of HK\$50 million (note b)	<b>37,142</b>	30,364
CB3 – principal amount of HK\$32 million (note c)	<b>20,872</b>	–
	<b>58,014</b>	30,364
Analysis:		
Current liabilities	–	–
Non-current liabilities	<b>58,014</b>	30,364
	<b>58,014</b>	30,364

Movements of the carrying amounts of the liability component of convertible bonds are as follow:

	<b>CB1</b> HK\$'000 (note a)	<b>CB2</b> HK\$'000 (note b)	<b>CB3</b> HK\$'000 (note c)	<b>Total</b> HK\$'000
At 1 April 2022	46,475	–	–	46,475
Issuance of convertible bonds	–	28,278	–	28,278
Effective interest on convertible bonds	3,525	2,086	–	5,611
Transfer to other borrowings	(50,000)	–	–	(50,000)
At 31 March 2023 and 1 April 2023	–	30,364	–	30,364
Issuance of convertible bonds	–	–	20,070	20,070
Effective interest on convertible bonds	–	6,778	802	7,580
At 31 March 2024	<b>–</b>	<b>37,142</b>	<b>20,872</b>	<b>58,014</b>



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 26. CONVERTIBLE BONDS (Continued)

Notes:

- (a) On 31 March 2021, the Company issued the convertible bonds ("**CB1**") with principal amount of HK\$50 million to Mr. Ng for settlement part of the other borrowings.

### **CB1**

The CB1 is unsecured and non-interest bearing. The holder of the CB1 will be able to convert the outstanding principal amount into ordinary shares of the Company at a conversion price of HK\$0.5 per conversion share (subject to be customary anti-dilutive adjustments) until the maturity date at 30 September 2022. The CB1 was matured on 30 September 2022 and transferred to other borrowings of approximately HK\$50,000,000.

- (b) In November 2022, the Company completed the issue of new convertible bond ("**CB2**") with principal amount of HK\$50 million to Mr. Ng for settlement of other borrowings which is arisen from CB1. Such transaction was treated as equity transaction as Mr. Ng is shareholder of the Company. At issuance date of the CB2, the fair value was determined to be approximately HK\$36,044,000. The difference between the fair value of CB2 and carrying amount of the other borrowings mentioned in note (a) above was approximately HK\$13,956,000, which was recognised and presented in the consolidated statement of changes in equity under the heading "Capital Reserve".

The CB2 is unsecured and non-interest bearing. The holder of the CB2 will be able to convert the outstanding principal amount into ordinary shares of the Company at a conversion price of HK\$0.5 per conversion share until the maturity date at 30 September 2025.

- (c) On 31 December 2023, the Company completed the issue of new convertible bond ("**CB3**") with principal amount of HK\$32 million to Mr. Ng for settlement of part of the borrowings owed to Mr. Ng, which is included in other borrowings (note 24). The CB3 is unsecured and non-interest bearing. The holder of the CB3 will be able to convert the outstanding principal amount into ordinary shares of the Company at a conversion price of HK\$0.256 per conversion share until the maturity date at 30 December 2026.

The CB1, CB2 and CB3 are determined to be a compound financial instrument with a conversion option, that will or may be settled by an exchange of a fixed number of ordinary shares of the Company for a fixed amount of cash, being treated as equity. The liability components include host debt component (being the Company's obligation to pay the principal amount of the convertible bonds on respective maturity dates if the convertible bonds are not converted or redeemed).

On initial recognition of the CB1, CB2 and CB3, the equity component of each convertible bond is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Accordingly, on initial recognition, the Group first determines the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component. The carrying amount of the equity instrument is then determined by deducting the fair value of the financial liability from the fair value of the convertible bonds as a whole.

The Group recognised the values of equity component for the CB2 and CB3 of approximately HK\$7,766,000 and HK\$11,930,000 for the years ended 31 March 2023 and 2024 respectively as equity upon their initial recognition and presented in the consolidated statement of changes in equity under the heading "Convertible bonds reserve".

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 26. CONVERTIBLE BONDS (Continued)

The fair value of the liability component of convertible bonds on initial recognition was calculated using a discounted cash flow approach and the key unobservable input of the valuation is set out below:

	<b>CB1</b>	<b>CB2</b>	<b>CB3</b>
Discount rate adopted	15.79%	22.26%	16.81%

At subsequent reporting dates, the liability component of convertible bonds is carried at amortised cost with following effective interest rate.

	<b>CB1</b>	<b>CB2</b>	<b>CB3</b>
Effective interest rate	15.79%	22.26%	16.81%

## 27. DEFERRED TAX LIABILITIES

At 31 March 2024, the Group has following unused tax losses and deductible temporary differences:

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Tax losses	<b>2,620</b>	2,620
Deductible temporary differences	<b>71</b>	(150)
	<b>2,691</b>	2,470

No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are estimated losses of approximately HK\$14,000 (2023: HK\$14,000) that are subject to the review of Hong Kong Inland Revenue Department. The unused tax losses may be carried forward indefinitely.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 28. SHARE CAPITAL

	Number of shares '000	Amount HK\$'000
<b>Authorised:</b>		
Ordinary share of HK\$0.01 each at 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	<b>40,000,000</b>	400,000
<b>Issued and fully paid:</b>		
Ordinary share of HK\$0.01 each at 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	<b>128,247</b>	1,282

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes:

### (a) Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders by pricing the services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

During the year ended 31 March 2024, the Group's overall strategy was unchanged from 2023. The Group monitors its capital structure based on a net debt-to-capital ratio. For this purpose the Group defines net debt as total debt, which includes other payables, other borrowings, lease liabilities, and convertible bonds disclosed in note 23 to note 26 respectively, net of cash and cash equivalents disclosed in note 22, and equity attributable to the owners of Group, comprising issued share capital, reserves and accumulated losses.

In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares or return capital to shareholders, raise new debt financing or sell assets to reduce debt. The net debt-to-capital ratio at 31 March 2024 and 2023 is as follow:

	2024 HK\$'000	2023 HK\$'000
Total debts	<b>169,484</b>	157,879
Less: cash and cash equivalents	<b>(3,937)</b>	(3,807)
Net debts	<b>165,547</b>	154,072
Capital deficiency	<b>(79,776)</b>	(67,497)
Adjusted net debt-to-capital ratio	<b>(208%)</b>	(228%)

At 31 March 2024, the Group had a capital deficiency of approximately HK\$79,776,000 (2023: HK\$67,497,000). The directors have considered the solvency of the Group and taken steps to improve the Group's capital base and liquidity as disclosed in note 3(b).

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 29. RESERVES

### (a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

### (b) Nature and purpose of reserves

#### (i) *Share premium*

The application of share premium is governed by Section 40 of the Bermuda Companies Act 1981.

#### (ii) *Special reserve*

The special reserve of the Group represents the difference between the nominal amount of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisition pursuant to the corporate reorganisation prior to the listing of the Company's shares.

#### (iii) *Contributed surplus*

The contributed surplus of the Company represents the following:

- the differences between the consolidated shareholders' funds of subsidiaries at the date on which they were acquired by the Company and the nominal amount of the shares of the Company issued under the corporate reorganisation; and
- the credit of approximately HK\$255,213,000 arising from the capital reduction on 3 March 2021 transferred from the Company's share capital account.

Under The Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution to shareholders or for set-off the accumulated losses of the Company in full.

#### (iv) *Capital reserve*

The capital reserve comprises the following:

- the fair value of the unexercised share options granted to employees and service provider of the Company recognised in accordance with the accounting policy set out in note 3(m);
- the amount transfer from convertible bonds reserve in regarding to the equity component of unexercised convertible bonds at the expiry date recognised in accordance with the accounting policy adopted for convertible bonds in note 3(i); and
- the credit of approximately HK\$13,956,000 during 31 March 2023 in relation to fair value gain of settlement of shareholder loan included in other borrowings by issuing zero coupon convertible bond.

#### (v) *Convertible bonds reserve*

The convertible bonds reserve comprises the amount allocated to equity component of the convertible bonds on issue date recognised in accordance with the accounting policy adopted for convertible bonds in note 3(i).

## 30. SHARE OPTION SCHEME

### 2012 Scheme

The Company's new share option scheme (the "**2012 Scheme**"), which was adopted pursuant to an ordinary resolution passed by the shareholders of the Company on 12 September 2012 for the purpose of providing incentives to certain eligible participants and unless otherwise cancelled or amended, will expire on 11 September 2022. Under the 2012 Scheme, the Directors may grant share options to eligible employees, including Executive Directors, or any persons or entities who have contributed or will contribute to the growth and development of the Group, to subscribe for shares in the Company.

Under the 2012 Scheme, the Directors may grant options to the following eligible participants:

- (i) any employee, executives or officers or proposed employees, executives or officers (whether full time or part time and including any Executive Director) of the Company, and of its subsidiaries or any entity (the "**Invested Entity**") in which the Group holds any equity interests and any of such subsidiaries or any Invested Entity;
- (ii) any non-executive Directors (including independent non-executive Directors) of the Company and any of its subsidiaries or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iv) any customer of the Group or any Invested Entity;
- (v) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and
- (vi) any person or entity who from time to time determined by the board of directors as having contributed or may contribute to the development and growth of the Group based on his or its performance and/or years of service, or is regarded as valuable resources of the Group based on his/its working experience, knowledge in the industry and other relevant factors.

The total numbers of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme of the Company must not in aggregate exceed 10% of the shares in issue at the date of approval of the 2012 Scheme. The total number of shares available for issue under the 2012 Scheme is 415,265,572 shares (2,577,345 shares after (a) share consolidation on 27 March 2013, (b) open offer on 16 May 2016 and (c) share consolidation on 3 March 2021), representing approximately 10% of the shares in issue at the date of approval of the 2012 Scheme on 12 September 2012.

The number and exercise prices of the shares options are adjusted as a result of the completion of (a) share consolidation of every 20 issued and unissued shares consolidated into 1 consolidated share on 27 March 2013; (b) open offer on 16 May 2016 in the proportion of one offer share for every two existing shares held; and (c) share consolidation of every 10 issued and unissued shares consolidated into 1 consolidated share on 3 March 2021.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 30. SHARE OPTION SCHEME (Continued)

### 2012 Scheme (Continued)

The exercise prices shown as below represent the adjusted exercise prices at 31 March 2024 and 2023.

	2024		2023	
	Number of options	Weighted average exercise price HK\$	Number of options	Weighted average exercise price HK\$
At 1 April	3,837,954	3.94	4,216,550	4.707
Lapsed during the year	(568,868)	10.37	(378,596)	12.48
At 31 March	3,269,086	2.82	3,837,954	3.94
Exercisable at 31 March	3,269,086	2.82	3,837,954	3.94

At the annual general meeting held on 9 August 2016, shareholders have approved to refresh the share option scheme mandate limit that the total number of shares which may be issued upon exercise of all options to be granted under the 2012 Scheme must not exceed 10% of the shares of the Company in issue on the date of that annual general meeting. A total of 51,319,917 options to subscribe for a total of 51,319,917 shares, representing 10% of the total number of shares in issue at the annual general meeting on 9 August 2016, were approved to be granted.

The maximum number of shares in respect of which options may be granted under the 2012 Scheme must not in aggregate exceed 30% of the shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any participant is not permitted to exceed 1% of the shares of the Company in issue during the 12-month period before the date of grant without prior approval from the Company's shareholders. Any grant of options under the 2012 Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined under the Listing Rules) must be approved by the independent non-executive Directors of the Company. In addition, any grant of options to a substantial shareholder or an independent non-executive Director or any of their respective associates in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million within any 12-month period must be approved by shareholders of the Company in general meeting.

## 30. SHARE OPTION SCHEME (Continued)

### 2012 Scheme (Continued)

Unless otherwise determined by the Directors of the Company and stated in the offer of the grant of options to a grantee, there is no minimum period required under the 2012 Scheme for holding of an option before it can be exercised.

An offer for the grant of options to a grantee shall be accepted by no later than 28 days from the date of offer. HK\$1 per grant of options is payable on the acceptance of the grant of options. Options may be exercised in accordance with the terms of the 2012 Scheme and expiring in accordance with the terms of the 2012 Scheme or upon the expiry of the tenth anniversary of the 2012 Scheme, whichever is the earlier.

The exercise price is determined by the Directors of the Company, and shall not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange on the date of the offer of grant; (ii) the average closing price of the Company's shares as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Company's share.

The 2012 Scheme remained in force for a period of 10 years commencing on 12 September 2012 till 11 September 2022.

No new share option scheme has been approved after the maturity of 2012 Scheme.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 30. SHARE OPTION SCHEME (Continued)

### 2012 Scheme (Continued)

#### (a) Movements of the number of share options

For the year ended 31 March 2024

Name of category	Type	Number of share option			Outstanding at 31/3/2024	Date of grant	Exercised period	Exercise price (notes 2 and 3) HK\$
		Outstanding at 1/4/2023	Granted	Lapsed				
<b>Directors</b>								
Ng Man Sun	2014	24,826	-	(24,826)	-	3 March 2014	3 March 2014-2 March 2024	13.45
	2015	24,826	-	-	24,826	10 March 2015	10 March 2015-9 March 2025	7.01
	2017	610,000	-	-	610,000	1 December 2017	1 December 2017-30 November 2027	2.80
	2018	61,000	-	-	61,000	17 December 2018	17 December 2018-16 December 2028	2.00
Ng Wai Yee	2014	24,826	-	(24,826)	-	3 March 2014	3 March 2014-2 March 2024	13.45
	2015	24,826	-	-	24,826	10 March 2015	10 March 2015-9 March 2025	7.01
	2016	24,826	-	-	24,826	25 April 2016	25 April 2016-24 April 2026	3.70
	2017	610,000	-	-	610,000	1 December 2017	1 December 2017-30 November 2027	2.80
Yeung Pui Han, Regina	2014	24,826	-	(24,826)	-	3 March 2014	3 March 2014-2 March 2024	13.45
	2015	24,826	-	-	24,826	10 March 2015	10 March 2015-9 March 2025	7.01
	2016	24,826	-	-	24,826	25 April 2016	25 April 2016-24 April 2026	3.70
	2017	61,000	-	-	61,000	1 December 2017	1 December 2017-30 November 2027	2.80
Li Chi Fai	2014	24,826	-	(24,826)	-	3 March 2014	3 March 2014-2 March 2024	13.45
	2015	24,826	-	(24,826)	-	10 March 2015	10 March 2015-9 March 2025	7.01
	2016	24,826	-	(24,826)	-	25 April 2016	25 April 2016-24 April 2026	3.70
	2017	61,000	-	(61,000)	-	1 December 2017	1 December 2017-30 November 2027	2.80
Sie Nien Che, Celia	2014	24,826	-	(24,826)	-	3 March 2014	3 March 2014-2 March 2024	13.45
	2016	24,826	-	-	24,826	25 April 2016	25 April 2016-24 April 2026	3.70
	2017	61,000	-	-	61,000	1 December 2017	1 December 2017-30 November 2027	2.80
	2018	61,000	-	-	61,000	17 December 2018	17 December 2018-16 December 2028	2.00
		<b>2,030,738</b>	<b>-</b>	<b>(295,782)</b>	<b>1,734,956</b>			
<b>Eligible employees</b>	2014	24,826	-	(24,826)	-	3 March 2014	3 March 2014-2 March 2024	13.45
		<b>24,826</b>	<b>-</b>	<b>(24,826)</b>	<b>-</b>			
<b>Service providers</b>								
Service providers	2014	248,260	-	(248,260)	-	3 March 2014	3 March 2014-2 March 2024	13.45
	2015	124,130	-	-	124,130	10 March 2015	10 March 2015-9 March 2025	7.01
	2017	610,000	-	-	610,000	1 December 2017	1 December 2017-30 November 2027	2.80
	2018	800,000	-	-	800,000	17 December 2018	17 December 2018-16 December 2028	2.00
		<b>1,782,390</b>	<b>-</b>	<b>(248,260)</b>	<b>1,534,130</b>			
<b>Total</b>		<b>3,837,954</b>	<b>-</b>	<b>(568,868)</b>	<b>3,269,086</b>			
<b>Weighted average exercise price</b>		3.940			2.821			



# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 30. SHARE OPTION SCHEME (Continued)

### 2012 Scheme (Continued)

#### (a) Movements of the number of share options (Continued)

For the year ended 31 March 2023

Name of category	Type	Number of share option			Outstanding at 31/3/2023	Date of grant	Exercised period	Exercise price (notes 2 and 3) HK\$
		Outstanding at 1/4/2022	Granted	Lapsed				
<b>Directors</b>								
Ng Man Sun	2013 (note 1)	24,826	-	(24,826)	-	5 February 2013	5 February 2013-4 February 2023	12.41
	2014	24,826	-	-	24,826	3 March 2014	3 March 2014-2 March 2024	13.45
	2015	24,826	-	-	24,826	10 March 2015	10 March 2015-9 March 2025	7.01
	2017	610,000	-	-	610,000	1 December 2017	1 December 2017-30 November 2027	2.80
	2018	61,000	-	-	61,000	17 December 2018	17 December 2018-16 December 2028	2.00
Ng Wai Yee	2013 (note 1)	24,826	-	(24,826)	-	5 February 2013	5 February 2013-4 February 2023	12.41
	2014	24,826	-	-	24,826	3 March 2014	3 March 2014-2 March 2024	13.45
	2015	24,826	-	-	24,826	10 March 2015	10 March 2015-9 March 2025	7.01
	2016	24,826	-	-	24,826	25 April 2016	25 April 2016-24 April 2026	3.70
	2017	610,000	-	-	610,000	1 December 2017	1 December 2017-30 November 2027	2.80
	2018	61,000	-	-	61,000	17 December 2018	17 December 2018-16 December 2028	2.00
Yeung Pui Hon, Regina	2013 (note 1)	24,826	-	(24,826)	-	5 February 2013	5 February 2013-4 February 2023	12.41
	2014	24,826	-	-	24,826	3 March 2014	3 March 2014-2 March 2024	13.45
	2015	24,826	-	-	24,826	10 March 2015	10 March 2015-9 March 2025	7.01
	2016	24,826	-	-	24,826	25 April 2016	25 April 2016-24 April 2026	3.70
	2017	610,000	-	-	610,000	1 December 2017	1 December 2017-30 November 2027	2.80
	2018	61,000	-	-	61,000	17 December 2018	17 December 2018-16 December 2028	2.00
Li Chi Fai	2014	24,826	-	-	24,826	3 March 2014	3 March 2014-2 March 2024	13.45
	2015	24,826	-	-	24,826	10 March 2015	10 March 2015-9 March 2025	7.01
	2016	24,826	-	-	24,826	25 April 2016	25 April 2016-24 April 2026	3.70
	2017	610,000	-	-	610,000	1 December 2017	1 December 2017-30 November 2027	2.80
	2018	61,000	-	-	61,000	17 December 2018	17 December 2018-16 December 2028	2.00
Sie Nien Che, Celia	2014	24,826	-	-	24,826	3 March 2014	3 March 2014-2 March 2024	13.45
	2016	24,826	-	-	24,826	25 April 2016	25 April 2016-24 April 2026	3.70
	2017	61,000	-	-	61,000	1 December 2017	1 December 2017-30 November 2027	2.80
	2018	61,000	-	-	61,000	17 December 2018	17 December 2018-16 December 2028	2.00
		<b>2,105,216</b>	<b>-</b>	<b>(74,478)</b>	<b>2,030,738</b>			
<b>Eligible employees</b>								
	2013 (note 1)	31,032	-	(31,032)	-	5 February 2013	5 February 2013-4 February 2023	12.41
	2014	49,652	-	(24,826)	24,826	3 March 2014	3 March 2014-2 March 2024	13.45
		<b>80,684</b>	<b>-</b>	<b>(55,858)</b>	<b>24,826</b>			
<b>Service providers</b>								
	2013 (note 1)	248,260	-	(248,260)	-	5 February 2013	5 February 2013-4 February 2023	12.41
	2014	248,260	-	-	248,260	3 March 2014	3 March 2014-2 March 2024	13.45
	2015	124,130	-	-	124,130	10 March 2015	10 March 2015-9 March 2025	7.01
	2017	610,000	-	-	610,000	1 December 2017	1 December 2017-30 November 2027	2.80
	2018	800,000	-	-	800,000	17 December 2018	17 December 2018-16 December 2028	2.00
		<b>2,030,650</b>	<b>-</b>	<b>(248,260)</b>	<b>1,782,390</b>			
<b>Total</b>		<b>4,216,550</b>	<b>-</b>	<b>(378,596)</b>	<b>3,837,954</b>			
<b>Weighted average exercise price</b>		4.707			3.940			

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 30. SHARE OPTION SCHEME (Continued)

### 2012 Scheme (Continued)

#### (a) *Movements of the number of share options* (Continued)

Notes:

- (1) The exercise price of the share options granted on 5 February 2013 has been changed from HK\$0.077 to HK\$1.54 as a result of the share consolidation passed by the shareholders at a special general meeting of the Company held on 27 March 2013, whereby every 20 shares of the Company of HK\$0.01 each were consolidated into 1 new share of the Company of HK\$0.20 each.
- (2) The exercise price per share option was adjusted upon the completion of the open offer on 16 May 2016 in the proportion of one offer share for every two existing shares held.
- (3) The exercise price per share option was further adjusted upon completion of the capital reorganisation passed by the shareholders at a special general meeting of the Company held on 1 March 2021.

The options outstanding at 31 March 2024 had an exercise price ranging from HK\$2.00 to HK\$7.01 (2023: HK\$2.00 to HK\$13.45) and a weighted average remaining contractual life of 3.1 years (2023: 3.2 years).

No equity-settled share-based payments charged to the profit or loss for the years ended 31 March 2024 and 2023.

At the end of the reporting period, the Company has 3,269,086 (2023: 3,837,954) share options outstanding. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in issue of 3,269,086 (2023: 3,837,954) additional ordinary shares of the Company of HK\$0.01 (2023: HK\$0.01) each and additional share capital of approximately HK\$33,000 (2023: HK\$38,000).

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 31. RELATED PARTY TRANSACTIONS

### (a) Compensation of key management personnel

Remuneration of key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 12 as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries and other emoluments	1,475	1,784
Contributions to retirement benefits scheme	18	18
	<u>1,493</u>	<u>1,802</u>

### (b) Transactions and year end balances with related parties

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group had the following transactions and year end balances with related party:

	2024 HK\$'000	2023 HK\$'000
<b>Year end balances with related party</b>		
Deposit to a related company (notes i, ii and iii)	-	9,594
Less: Loss allowance	-	(1,689)
	<u>-</u>	<u>7,905</u>

Notes:

- (i) The related company is wholly-owned by a director of the Company, Mr. Ng, who is also the substantial shareholder of the Company.
- (ii) Other receivables from a related company are unsecured, interest-free and repayable on demand.
- (iii) On 29 March 2024, a subsidiary of the Group entered into a debt assignment of deposit paid with Mr. Ng and the related company to assign the sum with gross amount of approximately HK\$9,594,000 with the related company to Mr. Ng.

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 32. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries at 31 March 2024 and 2023 are as follows:

Name of subsidiaries	Place of incorporation/ operation	Particular of issued and fully paid share capital	Percentage of equity interest and voting power attributable to the Company		Principal activities
			2024	2023	
<b>Direct</b>					
Digital Zone Global Limited	BVI/BVI	1 Ordinary share	100%	100%	Conduct mobile game apps business
Victor Mind Global Limited	BVI/Cambodia	1 Ordinary share	100%	100%	Gaming table business
<b>Indirect</b>					
Explicitly Grand Investments Limited	BVI/Hong Kong	50,000 Ordinary shares	100%	100%	Investment holdings
MostCore Limited	Hong Kong/Hong Kong	10,000 Ordinary shares	100%	100%	Provision of AR/VR and mobile games solutions

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 33. THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Plant and equipment		44	311
Investments in subsidiaries	(a)	1	1
		<u>45</u>	<u>312</u>
<b>Current assets</b>			
Other receivables		48,069	48,409
Amounts due from subsidiaries	(b)	4,466	4,588
Cash and cash equivalents		3,937	3,807
		<u>56,472</u>	<u>56,804</u>
<b>Current liabilities</b>			
Other payables		20,849	14,345
Amount due to a subsidiary		329	338
Other borrowings		88,684	112,677
Lease liabilities		1,230	–
		<u>111,092</u>	<u>127,360</u>
<b>Net current liabilities</b>		<b>(54,620)</b>	<b>(70,556)</b>
<b>Total assets less current liabilities</b>		<b>(54,575)</b>	<b>(70,244)</b>
<b>Non-current liabilities</b>			
Lease liabilities		214	–
Convertible bonds		58,014	30,364
		<u>58,228</u>	<u>30,364</u>
<b>NET LIABILITIES</b>		<b>(112,803)</b>	<b>(100,608)</b>
<b>Capital and reserves</b>			
Share capital		1,282	1,282
Reserves	(c)	(114,085)	(101,890)
<b>TOTAL DEFICIT</b>		<b>(112,803)</b>	<b>(100,608)</b>

The Company's statement of financial position was approved and authorised for issue by the Board of Directors on 25 June 2024 and are signed on its behalf by:

**Ng Man Sun**  
Chairman

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 33. THE STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Notes:

(a) Investments in subsidiaries

At 31 March 2024, investments in subsidiaries are carried at cost of HK\$1,000 (2023: HK\$1,000) and no accumulated impairment loss was recognised in profit or loss (2023: nil).

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, interest free and repayable on demand. The directors of the Company do not expect repayments from subsidiaries within next twelve months from the end of the reporting period.

(c) Movements in reserves of the Company

	<b>Share premium</b>	<b>Contributed surplus</b>	<b>Capital reserve</b>	<b>Convertible bonds reserve</b>	<b>Accumulated losses</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(note 29(b)(i))	(note 29(b)(iii))	(note 29(b)(iv))	(note 29(b)(v))		
At 1 April 2022	571,880	2,540,265	32,030	9,863	(3,181,192)	(27,154)
Loss and total comprehensive expense for the year	-	-	-	-	(96,458)	(96,458)
Transfer to capital reserve for unexercised convertible bonds at expiry date	-	-	9,863	(9,863)	-	-
Issue of convertible bonds (note 26)	-	-	13,956	7,766	-	21,722
Effect of share options forfeitures	-	-	(6,291)	-	6,291	-
<b>At 31 March 2023 and 1 April 2023</b>	<b>571,880</b>	<b>2,540,265</b>	<b>49,558</b>	<b>7,766</b>	<b>(3,271,359)</b>	<b>(101,890)</b>
Loss and total comprehensive expense	-	-	-	-	(24,125)	(24,125)
Issue of convertible bonds	-	-	-	11,930	-	11,930
Effect of share options forfeitures	-	-	(6,770)	-	6,770	-
<b>At 31 March 2024</b>	<b>571,880</b>	<b>2,540,265</b>	<b>42,788</b>	<b>19,696</b>	<b>(3,288,714)</b>	<b>(114,085)</b>

# Notes to Consolidated Financial Statements

For the year ended 31 March 2024

## 34. MAJOR NON-CASH TRANSACTION

During the year ended 31 March 2024, the Group entered into new lease agreement for the use of leased buildings for 2 years. On the lease commencement, the Group recognised right-of-use assets and lease liabilities of HK\$2,470,000 and HK\$2,392,000 respectively.

During the year ended 31 March 2024, the Group issued convertible bonds of principal amount of HK\$32,000,000 to Mr. Ng, the payment was offset by the loan from a director included in the other borrowings.

Save as disclosed, the Group had no other major non-cash transaction during the year ended 31 March 2024.

## 35. EVENTS AFTER REPORTING PERIOD

On 3 May 2024, Wisdom Ocean Group Limited ("**Wisdom Ocean**"), a wholly-owned subsidiary of the Group, has entered into a casino agreement with LongBay Entertainment Co., Ltd., an independent third party, for the lease and operation of the VIP Rooms in Dara Sakor. The agreement is effective for a term of three years from the date of passing the relevant resolution at the special general meeting. Details are set out in the announcement dated 3 May 2024. Up to the date of this announcement, the special general meeting in relation to the approval had not been held yet.

In June 2024, the Group had entered into the offsetting arrangement with Mr. Ng to offset the balances included in "Other receivables" and "Other borrowings" between the Group and himself amounting to HK\$30,684,000. The remaining balance due from Mr. Ng will be repaid on 30 June 2025 as per agreement.

# Five-Year Financial Summary

## RESULTS

	<b>2024</b> <b>HK\$'000</b>	<b>Year ended 31 March</b>			
		2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
REVENUE	<u>–</u>	<u>–</u>	<u>200</u>	<u>727</u>	<u>45,922</u>
LOSS FOR THE YEAR	<u><b>(24,209)</b></u>	<u>(62,549)</u>	<u>(3,675)</u>	<u>(42,999)</u>	<u>(38,108)</u>
ATTRIBUTABLE TO					
– Owners of the Company	<u><b>(24,209)</b></u>	<u>(62,549)</u>	<u>(3,675)</u>	<u>(42,999)</u>	<u>(39,129)</u>
– Non-controlling interests	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,111</u>
LOSS PER SHARE (in HK Cents)					
– Basic	<u><b>(18.88)</b></u>	<u>(48.77)</u>	<u>(2.87)</u>	<u>(33.53)</u>	<u>(30.97)</u>
– Diluted	<u><b>(18.88)</b></u>	<u>(48.77)</u>	<u>(2.87)</u>	<u>(33.53)</u>	<u>(30.97)</u>

## ASSETS AND LIABILITIES

	<b>2024</b> <b>HK\$'000</b>	<b>At 31 March</b>			
		2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
NON-CURRENT ASSETS	<u><b>44</b></u>	<u>8,216</u>	<u>38,402</u>	<u>65,373</u>	<u>106,414</u>
CURRENT ASSETS	<u><b>90,398</b></u>	<u>82,900</u>	<u>95,153</u>	<u>49,004</u>	<u>50,610</u>
TOTAL ASSETS	<u><b>90,442</b></u>	<u>91,116</u>	<u>133,555</u>	<u>114,377</u>	<u>157,024</u>
NON-CURRENT LIABILITIES	<u><b>58,228</b></u>	<u>30,364</u>	<u>–</u>	<u>41,009</u>	<u>17,652</u>
CURRENT LIABILITIES	<u><b>111,990</b></u>	<u>128,249</u>	<u>160,225</u>	<u>96,363</u>	<u>129,231</u>
TOTAL LIABILITIES	<u><b>170,218</b></u>	<u>158,613</u>	<u>160,225</u>	<u>137,372</u>	<u>146,883</u>
NET (LIABILITIES)/ASSETS	<u><b>(79,776)</b></u>	<u>(67,497)</u>	<u>(26,670)</u>	<u>(22,995)</u>	<u>10,141</u>
EQUITY HOLDERS' FUND	<u><b>(79,776)</b></u>	<u>(67,497)</u>	<u>(26,670)</u>	<u>(22,995)</u>	<u>10,141</u>
NON-CONTROLLING INTERESTS	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
TOTAL (DEFICIT)/EQUITY	<u><b>(79,776)</b></u>	<u>(67,497)</u>	<u>(26,670)</u>	<u>(22,995)</u>	<u>10,141</u>