易還財務投資有限公司
EASY REPAY FINANCE & INVESTMENT LIMITED
Continued in Bermuda with limited liability
Stock Code : 8079

ANNUAL REPORT
2021/22

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the "Directors") of Easy Repay Finance & Investment Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

Contents

FINANCIAL SUMMARY

Annual results for the five years from 2018

	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**98,271**	115,368	116,110	206,268	191,768
Loss for the year	**(64,324)**	(94,698)	(63,940)	(37,134)	(6,488)
Loss attributable to owners of the Company	**(64,324)**	(93,952)	(63,441)	(37,108)	(6,756)

	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total assets	**225,133**	278,695	378,796	443,488	519,463
Total liabilities	**(21,763)**	(11,001)	(15,704)	(23,585)	(39,496)
	203,370	267,694	363,092	419,903	479,967

CORPORATE INFORMATION

Directors

Executive Directors

Ms. SIU Yeuk Hung, Clara – Chairman
Mr. LAW Ka Kei

Independent Non-executive Directors

Mr. LEE King Fui
Mr. HO Tak Yin
Mr. LEE Wing Lun

Company Secretary

Mr. TO Chi, *CPA, FCCA*

Compliance Officer

Ms. SIU Yeuk Hung, Clara

Authorised Representatives

Ms. SIU Yeuk Hung, Clara
Mr. LAW Ka Kei

Audit Committee

Mr. LEE King Fui
Mr. HO Tak Yin
Mr. LEE Wing Lun

Remuneration and Nomination Committee

Mr. LEE King Fui
Ms. SIU Yeuk Hung, Clara
Mr. LAW Ka Kei
Mr. HO Tak Yin
Mr. LEE Wing Lun

Legal Adviser on the Bermuda Law

Appleby

Auditor

Moore Stephens CPA Limited
Registered Public Interest Entity Auditors
801–806 Silvercord, Tower 1
30 Canton Road
Tsimshatsui, Kowloon
Hong Kong

Principal Share Registrar and Transfer Office

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Standard Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

Registered Office

Victoria Place, 5th Floor
31 Victoria Street
Hamilton HM 10
Bermuda

Head Office and Principal Place of Business in Hong Kong

Unit 02, 11/F, Eastmark,
21 Sheung Yuet Road,
Kowloon Bay, Kowloon,
Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
409–415 Hennessy Road, Wanchai
Hong Kong

DBS Bank (Hong Kong) Limited
16th Floor, The Center
99 Queen's Road Central
Hong Kong

Stock Code

8079

Website

http://www.ecrepay.com

CHAIRMAN'S STATEMENT

On behalf of the board of Directors (the "Board"), I present the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 March 2022 to the shareholders.

The money lending business has continued to achieve reasonable result in previous years and will continue to be the core business of the Group and generate stable income to the Group. The revenue of this segment is approximately HK$27.5 million.

The Company reviewed that E-commerce is a part of the modern urban lifestyle in Hong Kong. The Group has been developing the retails and online sales business since 2015. The Group will continue to develop self-owned brand products, namely Master Chef Series, FRESHNESSMART, Dawooyeon Hanwoo, 李朝, 月姐滋養湯, 貞下起元, 老薑燉湯, Buon Cibo and Ganges Curry and source different types of products from local or overseas suppliers to satisfy the ever-changing needs of our customers.

PROSPECTS

The Group has been implementing certain business strategies in response to the worsened market conditions arising by the novel coronavirus outbreak in Hong Kong. The Group plans to expand its money lending business and retail business, for instance, by hiring more salespersons and delivery staff and upgrading its online platform, taking into account the novel coronavirus outbreak in which consumers tend to do shopping online instead of doing their purchases at physical shops. The money lending business and retail business remain the principal businesses of the Group and the Group will adjust its strategies and focus among its business segments in accordance with the changing market conditions.

In spite of all these expansion plans, the Group has been actively seeking suitable investment opportunities for business diversification. The Group will explore into different industry sectors so as to expand and diversify the scope of the Group's business.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to our shareholders, customers and staff members for their support in the past years. I would also like to express my personal appreciation to my fellow Board members for their continuous valuable contributions.

Ms. Siu Yeuk Hung, Clara
Chairman
Hong Kong, 24 June 2022

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The money lending business continues to be the core business of the Group and to generate stable income to the Group.

The Company reviewed that the E-commerce is a part of the modern urban lifestyle in Hong Kong. The Group has been developing the retails and online sales business since year 2015. The Group will continue to develop self-own brand products, namely Master Chef Series, FRESHNESSMART, Dawooyeon Hanwoo, 李朝, 月姐滋養湯, 貞下起元, 老蕭燉湯, Buno Cibo and Ganges Curry and source different types of products from local or overseas suppliers to satisfy the ever-changing conditions of our customers.

OPERATION REVIEW

Revenue for the financial year ended 31 March 2022 was approximately HK$98.3 million (2021: HK$115.4 million). The loss before tax was reduced due to the decrease of the allowance for expected credit losses on loans and advances to customers.

Money Lending Business

After actively participating in money lending business for more than ten years, a solid client base has been built. In the financial year, revenue for this segment under review was approximately HK$27.5 million (2021: HK$31.2 million).

The demand for loans is correlated to consumer and business sentiment on expenditure and/or purchase of real estate assets for residential or investment purposes which can then be reflected in the level of domestic economic activities. The economic activities and business sentiment have been affected by the novel coronavirus infection. Many enterprises suffer from a plunge in business turnover, resulting in a liquidity problem, in particular those small and medium enterprises which have difficulty in obtaining commercial bank loans due to their scale of operation. This may provide potential opportunities for licensed money lenders, particularly when banks' attitudes have become more conservative under the worsened economic environment, notwithstanding that the Group has become more cautious in its lending given the weakening economy in Hong Kong which may give rise to more bad debts in the industry.

Retail and Wholesale Business

The Group is operating 4 retail shops which located in Wanchai, Lai Chi Kok, Kowloon Bay and Tai Po and online business for the sales of grocery products. Beyond the general products like frozen food, the Group will focus more the in-house ready-to-eat products for the public.

The outbreak of novel coronavirus disease (COVID-19) seriously undermined the economies of Hong Kong and further weakened the catering industry since 2020. The Government's efforts to control the virus had a particularly notable impact on the catering industry. At different times in the period, restaurants were subject to mandatory social distancing and seating restrictions, reduced dining hours and other constraints. The pandemic remains not yet fully under control and the future is uncertain.

On the other hand, in view of the COVID-19, the shift of consumers' behaviour to shop online instead of physical shops as consumers stay at homes and avoid going to crowded areas in the wake of the novel coronavirus, which may in turn stimulate the Group's existing online retail business, mitigating the potential adverse impact on the Group's retail business. Although it is difficult to estimate how long the novel coronavirus will remain, consumers currently have a higher tendency and frequency to shop online than before. It is expected that after experiencing online shopping for several months, certain consumers may change their shopping behaviour from offline to online. This may provide potential opportunities for retailers with an online presence.

Revenue for this segment for the year ended 31 March 2022 was approximately HK$70.7 million (2021: HK$84.2 million).

On 15 April 2021, Perfect Catering Group Limited (a subsidiary of the Company) entered into an agreement with an independent third party in relation to an acquisition of a 20% equity interest in Sunshine Team Limited for a consideration of HK$2,400,000. Sunshine Team Limited is principally engaged in the operation of a HK-style restaurant in Shatin.

On 12 May 2021, Top Euro Limited (a subsidiary of the Company) entered into the Tenancy Agreement in respect of the lease of the Premises located at Unit 1101B and Unit 1102, 11/F, Eastmark, 21 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong for a term of three years commencing on 17 May 2021 and ending on 16 May 2024 at a monthly rent of HK$149,971.50 (exclusive of government rent, rates, management fees and other service charges) for office use.

The unaudited value of the right-of-use asset to be recognised by the Company under the terms of the Tenancy Agreement amounts to approximately HK$4.75 million, which is the present value of total consideration payable at the inception of the lease term of the Tenancy Agreement in accordance with HKFRS 16.

On 17 May 2021, Long Rich Limited (a subsidiary of the Company) entered into the Tenancy Agreement in respect of the lease of the Premises located at Shop C, G/F, Kam Fook Building, Nos. 29-39 Tai Ming Lane, No. 24 Kwong Fuk Square, Tai Po, New Territories, Hong Kong for operation of a retail shop for a term of three years commencing on 16 June 2021 and ending on 15 June 2024 under the trade name of "People's Market" at a monthly rent of HK$100,000 (inclusive of government rent, rates and management fees).

The unaudited value of the right-of-use asset to be recognised by the Company under the terms of the Tenancy Agreement amounts to approximately HK$3.3 million, which is the present value of total consideration payable at the inception of the lease terms of the Tenancy Agreement in accordance with HKFRS 16.

On 10 September 2021, Long Rich Limited (a subsidiary of the Company) entered into the Tenancy Agreement in respect of the lease of the Premises located at Shop B, G/F, Thomson Building, Nos. 93–103 Thomson Road, Wanchai, Hong Kong for operation of a retail shop for a term of three years commencing on 15 September 2021 and ending on 14 September 2024 under the trade name of "People's Market" at a monthly rent of HK$78,000 (exclusive of government rent, rates and management fee).

The unaudited value of the right-of-use asset to be recognised by the Company under the terms of the Tenancy Agreement amounts to approximately HK$2.55 million, which is the present value of total consideration payable at the inception of the lease terms of the Tenancy Agreement in accordance with HKFRS 16.

Outlook

The Group will continue to look for ways to further improve its existing business and explore new investment opportunities to broaden the business scope of the Group with the ultimate goal to maximise the return to shareholders.

SIGNIFICANT INVESTMENT IN SUBSCRIPTION OF INTEREST IN A FUND

On 17 January 2022, Yvonne Credit Service Co., Limited ("Subscriber"), being a subsidiary of Company, entered into the Subscription Agreement, pursuant to which the Subscriber agreed to subscribe for the Class A Shares in the Albany Creek Bond Series SP ("Segregated Portfolio"), a segregated portfolio of Albany Creek Fund SPC ("Fund"), up to approximately HK$10,000,000. Up to the year ended 31 March 2022, the aggregate subscription in the Fund was HK$26,000,000.

The Segregated Portfolio is to aim to generate stable fixed income for Shareholders by investing in bonds, debentures, promissory notes and other similar products of Hong Kong listed companies and/or sizeable corporations.

The Fund was incorporated on 17 November 2017 as an exempted company with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands.

The authorized share capital of the Fund is US$50,000.00 divided into 100 voting, non-redeemable Management Shares of a nominal or par value US$0.01 each and 4,999,900 participating, limited-voting, redeemable Participating Shares (which may be issued in different classes and with respect to different Segregated Portfolios from time to time) of a nominal or par value of US$0.01 each. The historical return of Segregated Portfolio is 26.493% as of 31 December 2021 since inception.

The principal purpose of the Group of the Subscription is to diversify the investment portfolio of the Group with an aim to enhancing its profitability. The Subscription provides an opportunity to the Group to enhance return by utilising the idle cash of the Group.

As at 31 March 2022, the fair value of the Fund was HK$27,166,000 and such fair value represents 12.1% in the Group's total assets. For the year ended 31 March 2022, the change in fair value arisen from the Fund was HK$768,000 while the total amount of dividends received from the Fund was nil.

Save and except for the above, none of each individual investment constitutes 5% or above of the total assets of the Group as at 31 March 2022.

Details of the Subscriptions was disclosed in the announcements dated 31 August 2020, 15 September 2020, 17 January 2022, 24 January 2022 and 28 January 2022.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally financed its operations with internally generated cash flows. As at 31 March 2022, the Group had cash and cash equivalents of approximately HK$21.7 million (2021: HK$44.5 million).

As at 31 March 2022, the Group had borrowings of HK$3.0 million (2021: Nil) which were used to finance the operation of the Group.

As at 31 March 2022, the Group's gearing ratio, expressed as a percentage of total borrowings (comprising borrowings) less cash and cash equivalents then divided by total equity was nil (2021: Nil).

CHARGES ON GROUP'S ASSETS

As at 31 March 2022, no financial instruments was pledged as collateral to securities brokers for margin financing granted to the Group and no margin financing was utilised by the Group (2021: Nil, except for the pledged bank deposits of approximately HK$1,004,000).

TREASURY POLICIES

Cash and bank deposits of the Group are mainly denominated in HK dollars ("HK$").

Since most of the transactions of the Group are denominated in Hong Kong dollars, no hedging or other arrangements to reduce the currency risk have been implemented.

EMPLOYEES

As at 31 March 2022, the Group had 90 (2021: 99) full-time employees. The total employee remuneration, including of the Directors, for the year ended 31 March 2022 amounted to approximately HK$34.3 million (2021: HK$32.8 million). The Group remunerates its employees based on their performance, experience and the prevailing commercial practice.

RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds. Both the Group and the employees are required to contribute based on a fixed percentage of the employee's relevant income up to a maximum of HK$1,500 per employee per month.

Contributions to the MPF by the Group for its employees are fully and immediately vested in the employees once the contributions are made. There are no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution. Hence, there is no forfeited contributions which may be used by the Group to reduce the existing level of contributions.

CAPITAL STRUCTURE

During the year ended 31 March 2022, there is no change of the capital structure of the Group. The total issued share capital of the Company as at 31 March 2022 is 240,359,354 shares.

CONTINGENT LIABILITIES

As at 31 March 2022, the Company did not provide any corporate guarantee to third parties.

DIVIDEND

The Directors of the Company did not recommend the payment of any dividend for the year ended 31 March 2022 (2021: Nil).

EVENT AFTER REPORTING PERIOD

Mandatory Conditional Cash Offer

On 29 April 2022, Best Richest Management Company Limited (the "Offeror"), Able Rich Consultants Limited ("Able Rich"), Mr. Chan Yan Tak ("Mr. Chan") and Mr. Shiu Yeuk Yuen ("Mr. Shiu") entered into the Sales and Purchase Agreement ("SPA"), pursuant to which the Offeror has conditionally agreed to acquire and Able Rich has conditionally agreed to sell an aggregate of 82,288,613 Shares ("Sale Share(s)"), representing approximately 34.24% of the total issued share capital of the Company. The consideration for Sale Shares is HK$6,583,089.04, representing HK$0.08 per Sale Share. Completion of the SPA took place on 4 May 2022.

Pursuant to Rule 26.1 of the Takeovers Code, upon completion of the SPA, the Offeror is required to make a mandatory conditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

The offer price of HK$0.08 per offer share under the offer is equal to the price per Sale Share paid by the Offeror under the SPA ("Offer").

In addition, Mr. Shiu has irrevocably undertaken to the Offeror that, amongst others, he (a) will accept the Offer in respect of the 1,620,000 Shares beneficially owned by himself and, (b) will not withdraw any such acceptance.

On 21 June 2022 (being the First Closing Date of the Offer), the Offeror has received valid acceptances in respect of an aggregate of 37,565,092 Offer Shares under the Offer (the "Acceptance Shares"), representing approximately 15.63% of the entire issued share capital of the Company as at the date of the joint announcement. Immediately before the commencement of the Offer Period, the Offeror and parties acting in concert with it were interested in 82,288,613 Shares (excluding the 1,620,000 Shares in which, pursuant to the Irrevocable Undertaking, the Offeror has an interest, and in respect of which Mr. Shiu has accepted the Offer), representing approximately 34.24% of the total issued share capital of the Company. Taking into account the Acceptance Shares and the Shares already owned by the Offeror and parties acting in concert with it, as at the date of the joint announcement, the Offeror and parties acting in concert with it were interested in an aggregate of 119,853,705 Shares, representing approximately 49.86% of the entire issued share capital of the Company.

With reference to the Composite Document, the Offer is conditional upon valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of Shares which, together with Shares already owned by the Offeror and parties acting in concert with it and acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company (the "Acceptance Condition").

As the Acceptance Condition has not yet been fulfilled, the Offer has not yet become unconditional. The Offer will become and can be declared unconditional upon the fulfilment of the Acceptance Condition.

The Offeror has decided to extend the First Closing Date to 5 July 2022 (the "Extended Closing Date") in order to provide additional time for the Independent Shareholders to consider the Offer. Further announcement on the results of the Offer will be made on 5 July 2022.

The joint announcement and the Composite Documents of the Mandatory Conditional Cash Offer was disclosed on 10 May 2022, 31 May 2022 and 21 June 2022 respectively.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR EXECUTIVES

EXECUTIVE DIRECTORS

Ms. SIU Yeuk Hung, Clara ("Ms. Siu"), aged 57, joined the Company on 9 August 2017. Ms. Siu has extensive experience in marketing and business development. Prior to joining the Company, Ms. Siu has worked in a company listed on The Stock Exchange of Hong Kong Limited, responsible for the marketing and business development since 2006. Ms. Siu has been appointed as the chairman of the Company with effect from 2 July 2020.

Mr. LAW Ka Kei ("Mr. Law"), aged 45, is a director of several subsidiaries of the Company. Mr. Law joined the Group as the General Manager of People's Market in 2012 and appointed as executive director of the Company with effect from 2 July 2020. Mr. Law has over 18 years' retail chain management experience. Mr. Law obtained a Degree of Business Administration from Lingnan University, Hong Kong.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LEE King Fui ("Mr. Lee"), aged 43, joined the Company in July 2019. Mr. Lee is the Chairman of the Audit Committee and Remuneration Committee, the member of Nomination Committee of the Company. Mr. Lee is a director of Visionwide Consultancy Limited since October 2017. Mr. Lee has more than 20 years of experience in accounting, audit and corporate finance and advisory services in Malaysia, Hong Kong and Mainland China. He worked at Enesoon Technology Limited from January 2016 to December 2016, and his last position was vice president of strategic investment. Mr. Lee had been the chief financial officer of different companies in Hong Kong and China namely, Legend Oilfield Services Limited, Aujet Industry Limited, and Wellable Marine Biotech Holding Limited for the period from August 2011 to April 2015. Prior to the above mentioned positions, Mr. Lee worked in KPMG Hong Kong from October 2006 to March 2011 and the last position that he held was senior manager.

Mr. Lee obtained a master's degree in accountancy from The Hong Kong Polytechnic University in October 2012. He was admitted as an associate member of the Hong Kong Institute of Certified Public Accountants since January 2012 and became a fellow member since September 2020. Mr. Lee was admitted as a member of the Association of Chartered Certified Accountants in September 2003 and became a fellow member since September 2008. Mr. Lee was also admitted as a chartered accountant of the Malaysian Institute of Accountants since March 2004.

Mr. Lee is an independent non-executive director of China Creative Digital Entertainment Limited (Stock code 8078), a company listed on the GEM of The Stock Exchange of Hong Kong Limited.

Mr. HO Tak Yin ("Mr. Ho"), aged 50, joined the Company in August 2020. Mr. Ho is the member of Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Ho is a director of a design company since 2002. Mr. Ho has over 18 years of experience in design industry and has sufficient experience in company operational management. The Board believes Mr. Ho as Independent Non-executive Director could bring objective and valuable view to the Group. Mr. Ho obtained a Degree of Arts in Graphic Design from University of Lincolnshire & Humberside, UK.

Mr. LEE Wing Lun ("Mr. Lee"), aged 38, joined the Company in September 2020. Mr. Lee is the member of Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr. Lee is a technical advisor in technology ventures, start-ups and consulting industry. He holds a Bachelor of Computer Engineering from the University of Hong Kong. Mr. Lee is a partner in an information technology company and responsible to provide IT infrastructure services to corporate clients.

Mr. Lee is an independent non-executive director of China Creative Digital Entertainment Limited (Stock code 8078), a company listed on the GEM of The Stock Exchange of Hong Kong Limited.

CORPORATE GOVERNANCE REPORT

A. CORPORATE GOVERNANCE

Corporate Governance Practices

The Company is committed to achieving high standards of corporate governance to protect the interests of the shareholders of the Company. The Company had complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31 March 2022 except for the following deviation of Code A.2.1.

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

The positions of Chairman of the Board and Chief Executive Officer ("CEO") of the Company are both currently carried on by the same person. The Board considers that this structure does not undermine the balance of power and authority between the Board and the management. The Board members have considerable experience and qualities which they bring to the Company and there is a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). Given the composition of the Board, the Board believes that it is able to ensure that the balance of power between the Board and the management is not impaired. The Board believes that having the same person performing the roles of both Chairman and CEO does provide the Group with strong and consistent leadership and that, operating in this manner allows for more effective and efficient overall strategic planning of the Group.

During the year ended 31 March 2022, the Board was responsible for determining the policy for the corporate governance of the Company performing the corporate governance duties as below:

- to develop and review the Group' s policies and practices on corporate governance and make recommendations;
- to review and monitor the training and continuous professional development of the Directors and senior management;
- to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements (where applicable);
- to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- to review the Group's compliance with the Code and disclosure requirements in the corporate governance report.

B. SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 (the "Required Standard of Dealings") of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings for the financial year ended 31 March 2022.

C. BOARD OF DIRECTORS

Composition of the Board, Number of Board Meetings and Directors' Attendance

The Company's Board is comprised of experienced and highly competent individuals and a balanced composition of Executive and Non-executive Directors. 5 Board meetings were held during the financial year ended 31 March 2022. The composition of the Board and attendance of the Directors are set out below:

Name of Directors	Attendance/ Number of Board meetings held during the year	Attendance/ Number of General meetings held during the year
Executive Directors		
Ms. Siu Yeuk Hung, Clara	5/5	1/1
Mr. Law Ka Kei	5/5	1/1
Independent Non-executive Directors		
Mr. Lee King Fui	5/5	1/1
Mr. Ho Tak Yin	5/5	1/1
Mr. Lee Wing Lun	5/5	1/1

As some of the Board meetings are concerned with the day-to-day management of the Company which often requires prompt decisions, usually only the executive Directors attend. There was no additional Board meetings held for normal course of business during the year.

The list of directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the GEM Listing Rules.

The Executive Directors are responsible for the leadership and control of the Company and oversee the Group's businesses, strategic decisions and performances and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Independent Non-executive Directors are responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as providing adequate checks and balances in the Board in order to protect shareholders' interest and overall interest of the Group.

Each Independent Non-executive Director has given the Company an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all the Independent Non-executive Directors are independent and meet the independent guidelines set out in Rule 5.09 of the GEM Listing Rules.

D. APPOINTMENT AND SUCCESSION PLANNING OF DIRECTORS

The procedures and process of appointment, re-election and removal of Directors are laid down in the code provisions A.4 set out in the Code contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31 March 2022.

Code A.4.1 stipulates that Non-executive Directors should be appointed for a specific term, subject to re-election and Code A.4.2 stipulates that all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment.

All Independent Non-executive Directors appointed has entered into a letter of appointment with the Company for a term of one year and renewable automatically for successive terms of another year unless terminated by three-month notice in writing served by either party. Pursuant to the Code A.4.2, the Directors, regardless of his/her term of appointment, if any, are subject to retirement by rotation at least once every three years and any new director appointed to fill a casual vacancy is subject to re-election by shareholders at the first general meeting after his/her appointment. The Company in practice will observe Code A.4.2 and will ensure that any new director appointed to fill a casual vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after his/her appointment.

E. CHAIRMAN AND CHIEF EXECUTIVE

Code A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Ms. Siu Yeuk Hung Clara is the Chairman and Chief Executive Officer of the Company. In view of the scale of operations of the Company and the fact that daily operations of the Group's business is delegated to the senior executives and department heads, the Board considers that vesting the roles of both Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board also believes that the current structure provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. It is in the best interest of the Group to maintain the current practice for continuous efficient operations and development of the Group.

F. REMUNERATION COMMITTEE

During the year ended 31 March 2022, a remuneration committee (the "Remuneration Committee"), consisting of three Independent Non-executive Directors and two Executive Directors, was set up by the Company in accordance with the Code. The Remuneration Committee has adopted written terms of reference in compliance with Code Provision B.1.3. The primary duties of the Remuneration Committee include the following:

- evaluating the performance and making recommendations to the Board on the remuneration packages of the individual executive directors and senior management;

- making recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;

- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives.

During the year ended 31 March 2022, the Remuneration Committee held two meetings with presence of all eligible members and reviewed and made recommendations on the remunerations packages of the Directors of the Group.

None of the Directors participated in the determination of his/her own remuneration. Attendance of the members of the Remuneration Committee is set out below:

Name of Directors	Number of meeting attended/Number of meeting held
Mr. Lee King Fui	2/2
Ms. Siu Yeuk Hung, Clara	2/2
Mr. Law Ka Kei	2/2
Mr. Ho Tak Yin	2/2
Mr. Lee Wing Lun	2/2

G. AUDIT COMMITTEE

The Company established an Audit Committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's annual report and financial statements, half-yearly report and quarterly reports and to provide advice and comment thereon to the Board. The Audit Committee is also responsible for reviewing and supervising the financial reporting process and internal control procedures of the Group. During the year ended 31 March 2022, it consists of three Independent Non-executive Directors, Mr. Lee King Fui, chairman of the Audit Committee, Mr. Ho Tak Yin and Mr. Lee Wing Lun. Four meetings were held during the financial year ended 31 March 2022. Attendance of the members of the Audit Committee is set out below:

Name of Directors	Number of meeting attended/Number of meeting held
Mr. Lee King Fui	4/4
Mr. Ho Tak Yin	4/4
Mr. Lee Wing Lun	4/4

The Company's annual results for the year ended 31 March 2022, have been reviewed by the Audit Committee.

H. NOMINATION COMMITTEE

During the year ended 31 March 2022, a nomination committee (the "Nomination Committee") consisting of three Independent Non-executive Directors and two Executive Directors was set up by the Company in accordance with the Code. The Nomination Committee has adopted written terms of reference, which have been amended by the Board in compliance with Code Provision A.5.3. The primary duties of the Nomination Committee include:

– reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the issuer's corporate strategy;

– identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;

– reviewing the nomination of Directors and making recommendations to the Board on terms of such appointment;

– assessing the independence of Independent Non-executive Directors.

During the year ended 31 March 2022, the Nomination Committee held one meeting with the presence of all eligible members and (i) reviewed and discussed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills, experience and diversity of perspectives appropriate to the requirements for the business of the Group and (ii) recommendation on the re-election of the retiring Directors.

I. DIVERSITY

The Company has adopted a board diversity policy (the "Board Diversity Policy"), which sets out its approach to achieve and maintain diversity on the Board in order to enhance the effectiveness of the Board.

The Company recognises the benefits of Board diversity and endeavours to ensure that the Board has the appropriate balance and level of skills, experience and perspectives required to support the execution of its business strategies. The Company seeks to achieve Board diversity through the consideration of a number of factors, including professional qualifications and experience, cultural and educational background, gender and age. The Company will also take into consideration factors based on its own business model and specific needs from time to time in determining the optimum composition of the Board.

The Board has set measurable objectives (in terms of gender, skills and experience) to implement the Board Diversity Policy and review such objects from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

The Company considers that the current composition of the Board is characterised by diversity, whether considered in terms of professional background and skills.

J. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings throughout the year ended 31 March 2022.

The Company also has established written guidelines on no less exacting terms than the Required Standard of Dealings (the "Employees Written Guidelines") for securities transactions by employees who are likely to be in possession of any unpublished inside information of the Company.

K. TRAINING AND CONTINUING DEVELOPMENT FOR DIRECTORS

All Directors should participate in continuing professional development to develop and refresh their skills to ensure that they have appropriate understanding of the business and operations of the Group and that they are sufficiently aware of their responsibilities and obligations under the GEM Listing Rules and relevant regulatory requirements.

The existing Directors are continually updated with legal and regulatory developments, and the business and market changes to facilitate the discharge of their responsibilities. Continuing briefings and professional development for Directors will be arranged where necessary.

The Company has also continually updated Directors on the latest development regarding the GEM Listing Rules and other regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

L. RESPONSIBILITIES IN RESPECT OF THE FINANCIAL REPORTING

The Board is responsible for presenting a balanced, clear and understandable assessment of annual, interim and quarterly reports, price-sensitive announcements and other disclosures required under the GEM Listing Rules and other regulatory requirements.

The Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 March 2022.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 47 to 51.

M. AUDITOR'S REMUNERATION AND AUDITOR RELATED MATTERS

For the year ended 31 March 2022, the remuneration paid or payable to the Company's auditor, Moore Stephens CPA Limited, is set out as follows:

	Fee
	HK$'000
Statutory audit services	780
Non-statutory audit services including review of interim results and disbursement	468
Total	1,248

N. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibility for the internal control system of the Company. The Board has developed its systems of internal control and risk management and is also responsible for reviewing and maintaining an adequate internal control system to safeguard the interests of the shareholders and the assets of the Company.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Board provides direction to senior management by setting the organisation's risk appetite. It also seeks to identify the principal risks facing the organization. Thereafter, the Board assures itself on an ongoing basis that senior management is responding appropriately to these risks. The Group has adopted three lines of defence to identify, assess and manage different types of risks. As the first line of defence, operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. The second line of defence, consists of the compliance officer, financial controller, company secretary, IT department and all department heads, monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information up and down the organization. It ensures that risks are within acceptable range and that the first line of defence is effective. As the final line of defense, the independent consultant assists the Audit Committee to review the first and second lines of defense. The independent consultant will, through a risk-based approach to their work, provide assurance to the Board and Audit Committee.

As the corporate and operation structure of the Group is not complex and a separate internal audit department may divert resources of the Group, the Group currently does not have an internal audit department. However, the Group has engaged an independent third party internal control consultant to, on an annual basis, review and provide recommendations on improving its internal control system in order to manage our business risks and to ensure our smooth operation. The review covered certain operational procedures. No significant control failings or weakness have been identified by the consultant during the review. The Board and the Audit Committee would review the need for an internal audit function on an annual basis.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 March 2022. The Board and the Audit Committee considered the risk management and internal control systems effective and adequate. No significant areas of concern that might affect shareholders were identified.

It should be acknowledged that the Group's risk management and internal control system are designed to manage rather than eliminate the risk of failure to achieve business objectives at the reasonable level, but not absolute assurance against material misstatement or loss.

Inside Information

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

O. INVESTOR RELATIONS

The Company recognises the importance in engaging in regular, effective and fair communication with its shareholders and is committed to conveying important and relevant information to the shareholders on a timely basis.

The Company strives to ensure that information is made publicly available in a prompt and timely disseminated manner. Disclosure of information is made through announcements to the Stock Exchange, the Company's annual reports, interim reports and quarterly reports, as well as the corporate website (http://www.ecrepay.com).

Significant Changes in Constitutional Documents

During the Reporting Period, there had been no significant changes in the constitutional documents of the Company. A copy of the latest consolidated version of memorandum and articles of association of the Company is available on the websites of the Company and the Stock Exchange.

P. SHAREHOLDERS' RIGHTS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Bye-laws. Details of such rights to demand a poll will be included in the circular to shareholders in relation to the holding of 2022 annual general meeting and explained during the proceedings of the meeting.

Save as aforesaid, pursuant to section 62 of the Bye-Laws, special general meetings of the Company (the "SGM") shall be convened on the requisition of the members of the Company 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. Such shareholders shall have the right, by written requisition to the Board or the company secretary of the Company, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and the SGM shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s), as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

To ensure effective communication between the Board and the shareholders, the Company has adopted a shareholders' communication policy (the "Policy"). Under the Policy, the Company's information shall be communicated to the shareholders mainly through general meetings, including annual general meetings, the Company's financial reports (annual, interim and quarterly reports), and its corporate communications and other corporate publications on the Company's website and the Stock Exchange's website. Shareholders may at any time make a request for the Company's information to the extent that such information is publicly available. Any such questions shall be first directed to the Chairman of the Board of the Company at the Company's principal place of business in Hong Kong by post or by email. Shareholders may also directly raise questions during the shareholders' meetings.

The number of shareholders necessary for putting forward a proposal at a shareholders' meeting shall be any number of shareholders representing not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings at the date of the request.

Q. ENVIRONMENTAL ISSUES

The Company is committed to the sustainable development of the environment and our society. The Group has endeavoured to comply with laws and regulations regarding environmental protection and adopted effective environmental policies to ensure its projects meet the required standards and ethics in respect of environmental protection.

R. RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that our employees, customers and suppliers and business associates are key stakeholders to the Company's success. We strive to achieve corporate sustainability through engaging our employees, providing quality products and services to our customers, collaborating with suppliers to deliver quality sustainable products and services and supporting our community.

S. COMPANY SECRETARY

Mr. To Chi is the company secretary of the Company. Mr. To has confirmed that he had received no less than 15 hours of relevant professional training for the year ended 31 March 2022, in compliance with Rule 5.15 of the GEM Listing Rules.

REPORT OF THE DIRECTORS

The directors of the Company (the "Directors") present their annual report together with the audited consolidated financial statements for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The Group is principally engaged in money lending business, financial instruments and quoted shares investment, retail and wholesale business.

BUSINESS REVIEW

A review of the business of the Group and a discussion on the Group's future business development during the year ended 31 March 2022 are provided in the Chairman's Statement on page 5 and Management Discussion and Analysis on pages 6 to 10 of this Annual Report.

An analysis of the Group's performance during the year ended 31 March 2022 using financial key performance indicators is provided in the Financial Summary on page 3 of this Annual Report.

Discussion on the Group's environmental issues and compliance with the relevant laws and regulations that have a significant impact on the Company are contained in the Corporate Governance Report and Environmental, Social and Governance Report on pages 11 to 46 of this Annual Report.

The Company's key relationships with its employees, customers and suppliers and business associates that have a significant impact on the Company and on which the Company's success depends are shown in the Management Discussion and Analysis under "Employees" section on page 8 and in the Corporate Governance Report on pages 11 to 18 of this Annual Report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2022 are set out in the consolidated statement of comprehensive income on page 52 of the annual report.

The Directors of the Company did not recommend the payment of any dividend for the year ended 31 March 2022 (2021: Nil).

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 3.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

ISSUED CAPITAL AND SHARE OPTIONS

Details of the movements in issued capital and share-based compensation of the Company for the year ended 31 March 2022 are set out in notes 30 and 31, respectively to the consolidated financial statements.

RESERVES

Details of the movements in reserves of the Group during the year are set out on page 55 in the consolidated financial statements.

DISTRIBUTABLE RESERVES

The Company's reserves available for distribution to shareholders as at 31 March 2022, comprising share premium, contributed surplus and (accumulated losses)/retained earnings, amounted to HK$200,966,000.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest suppliers of the Group accounted for approximately 36.2% of its cost of sale for the year ended 31 March 2022. The largest supplier of the Group accounted for approximately 13.9% of its cost of sale for the year ended 31 March 2022.

Sales to the Group's five largest customers accounted for approximately 20.8% of the Group's turnover for the year ended 31 March 2022. The Group's largest customer accounted for approximately 17.2% of the Group's turnover for the year ended 31 March 2022.

Save as disclosed above, if any, none of the Directors or any of their associates (as defined in the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules")) or any shareholders of the Company (who, to the knowledge of the Directors, own more than 5% of the issued share capital of the Company) had any beneficial interest in any of the five largest suppliers or customers of the Group for year ended 31 March 2022.

DONATION

During the year ended 31 March 2022, no donation was made by the Group (2021: Nil).

DIRECTORS

The Directors who held office during the year are:

Executive Directors

Ms. Siu Yeuk Hung, Clara
Mr. Law Ka Kei

Independent Non-executive Directors

Mr. Lee King Fui
Mr. Ho Tak Yin
Mr. Lee Wing Lun

CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 17.50A (1) of the GEM Listing Rules, there are changes in the information required to be disclosed pursuant to paragraph (a) to (e) and (g) of Rule 17.50(2) of the GEM Listing Rules during the course of the directors' term of office. The total remuneration of Ms. Siu Yeuk Hung, Clara and Mr. Law Ka Kei were HK$821,000 and HK$700,000 for year ended 31 March 2022 respectively. The remuneration was determined based on their qualifications, experience, level of responsibilities and prevailing market conditions.

Save as disclosed above, there are no other matters that need to be disclosed pursuant to Rule 17.50A (1) of the GEM Listing Rules.

LIABILITY INSURANCE FOR THE DIRECTORS AND OFFICERS

The Company has in force appropriate insurance coverage on Director's and officer's liabilities arising from the Group's business. The Company reviews the extent of insurance coverage on an annual basis.

DIRECTORS' SERVICE CONTRACTS

All of the Directors have entered into a service contract with the Company and the service contracts shall be renewed automatically after a year unless and until terminated by not less than three months' notice in writing served by either party to the other. Pursuant to the Company's Bye-laws, the Directors, regardless of his/her term of appointment, if any, are subject to retirement by rotation at least once every three years and any new director appointed to fill a casual vacancy is subject to re-election by shareholders at the first general meeting after his/her appointment.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year ended 31 March 2022.

EMOLUMENT POLICY

A remuneration committee is set up for reviewing the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices.

REMUNERATION OF DIRECTORS, SENIOR MANAGEMENT AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors, senior management and five individuals with highest emoluments are set out in notes 9 and 10 to the consolidated financial statements respectively.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 4 January 2011, the purpose of which is to incentivise or reward eligible participants for the contribution to the Group. The share option scheme lapsed in January 2021.

DIRECTOR'S AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

As at 31 March 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange were as follows:

Name	**Personal Interests**	**Approximate percentage to the issued share capital of the Company as at 31 March 2022**
Mr. Law Ka Kei *(note 1)*	2,185,000	0.91%

Note:

1. Mr. Law Ka Kei is the Executive Director of the Company.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

So far as known to the Directors, as at 31 March 2022, the Directors were not aware of any other person (other than the Directors and chief executive of the Company as disclosed above) who had an interests or short position in the shares or underlying shares or debentures of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or who was interested in 10% or more of the nominal value of any class of share capital, or options in respect of such capital, carrying rights to vote in all circumstances at general meetings of the Company.

Name	No. of Shares	Approximate percentage to the issued share capital of the Company as at 31 March 2022
Ms. Bai Yu	26,093,500	10.86%
Able Rich Consultants Limited *(Note)*	82,288,613	34.23%

Note:

82,288,613 shares of the Company are held by Able Rich Consultants Limited ("Able Rich"), a wholly-owned subsidiary of Rich Treasure Group Limited ("Rich Treasure"), of which Mr. Shiu Yeuk Yuen ("Mr. Shiu") is the sole director and shareholder of that company.

As confirmed by a supplemental deed dated 29 May 2020 entered into between, among others, Popland Investments Limited as borrower, Able Rich, Rich Treasure and Cheung Siu Fai as lender relating to a HK$327,000,000 term loan facility agreement dated 18 October 2017 (the "Supplemental Deed"), whereby the parties thereto agreed that the share charge dated 18 October 2017 shall be effective upon satisfaction of all conditions precedent stated in the Supplemental Deed. Details of the Supplemental Deed was disclosed in the circular dated 1 June 2020. On 4 May 2022, a deed of release entered into between Able Rich and Cheung Siu Fai in relation to the share charge is to be fully released and discharged.

On 29 April 2022, Best Richest Management Company Limited (the "Offeror"), Able Rich, Mr. Chan Yan Tak ("Mr. Chan") and Mr. Shiu entered into the Sales and Purchase Agreement ("SPA"), pursuant to which the Offeror has conditionally agreed to acquire and Able Rich has conditionally agreed to sell an aggregate of 82,288,613 Shares ("Sale Share(s)), representing approximately 34.24% of the total issued share capital of the Company. The consideration for Sale Shares is HK$6,583,089.04, representing HK$0.08 per Sale Share. Completion of the SPA took place on 4 May 2022.

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 of the Company.

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

For the year ended 31 March 2022 , neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

RELATED PARTY TRANSACTIONS

Details of the related party transactions for the period are set out in note 33 to the consolidated financial statements.

Save as disclosed therein, there were no other transactions to be disclosed as related party transactions in accordance with the requirements of the GEM Listing Rules.

COMPETING INTEREST

None of the Directors or the controlling shareholder (as defined in the GEM Listing Rules) of the Company has an interest in a business, which competes or may compete with the business of the Group.

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-executive Directors an annual confirmation of independent pursuant to Rule 5.09 of the GEM Listing Rules and considers all the Independent Non-executive Directors to be independent.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company maintained the prescribed public float under the GEM Listing Rules.

AUDITOR

The consolidated financial statements for the year ended 31 March 2022 were audited by Moore Stephens CPA Limited whose term of office will expire upon the annual general meeting. A resolution for the re-appointment of Moore Stephens CPA Limited as the auditor of the Company for the subsequent year will be proposed at the forthcoming annual general meeting.

On behalf of the Board
Easy Repay Finance & Investment Limited

Siu Yeuk Hung, Clara
Chairman

Hong Kong, 24 June 2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

INTRODUCTION

In accordance with Appendix 20-Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), Easy Repay Finance & Investment Limited and its subsidiaries (collectively known as the "Group" or "We") are pleased to present this Environmental, Social and Governance Report (the "ESG Report"). The purpose of the ESG Report is to provide our stakeholders with a comprehensive view of our environmental, social and governance ("ESG") performance, initiatives and achievements in four areas: environmental protection, employment and labour policies, operational practices and community involvement.

REPORTING PRINCIPLES

The ESG Report is prepared according to the "Comply or Explain" provisions and the four Reporting Principles as required by the ESG Reporting Guide:

1. Materiality: Disclosure is required in this Report if ESG issues have a material impact on our investors and other stakeholders.

2. Quantitative: The identified ESG data are measurable, so that the KPIs in this report can be compared with peers, industry standards and our previous years' performance.

3. Balance: The performance information in the Report is presented in an unbiased manner, avoiding selections, omissions or presentation that might inappropriately influence the decisions or judgments of stakeholder.

4. Consistency: To ensure comparability, all key performance indicators calculations and assumptions are consistent with previous years. Any changes in relevant assumptions or calculation methods are clearly disclosed to inform stakeholders.

REPORTING BOUNDARY

The scope of the ESG Report mainly focuses on the Group's principal businesses which includes money lending business, financial instruments and quoted shares investment, retail and wholesale business in Hong Kong. The information stated in this Report covers the period from 1 April 2021 to 31 March 2022 (the "Reporting Period"). The disclosure of systems, policies, and compliance with laws and regulations is made on a Group-wide basis. The Group has compiled ESG Key Performance Indicator ("KPI"), as shown in this ESG Report and supplemented by notes for benchmarking purposes. In addition to achieving our business objectives, we recognize our responsibility to operate in a more responsible and sustainable manner by integrating ESG considerations into our day-to-day operations.

Information regarding to the Group's corporate governance practices, please refer to the section headed "Corporate Governance Report" in the latest annual report.

ESG GOVERNANCE

OUR SUSTAINABILITY MISSION

In response to the concept of sustainable development and to create long-term value for our shareholders, the Group has incorporated ESG themes into our daily operations in an effort to pursue sustainable business development. We have incorporated "sustainability" as an ESG factor into our business operations, which is an important part of our corporate strategic objectives.

OUR APPROACH TO SUSTAINABILITY

The Board believes that sustainable development is an important aspect for the future development of the Company and therefore attaches great importance to the Group's sustainable development performance and plans during the Reporting Period. The Board believes that sustainable development should come from internal management and takes the lead in implementing green strategies to contribute to the achievement of carbon neutrality.

The Board is committed to taking overall responsibility for setting and overseeing the Group's sustainability direction and strategy by conducting at least one corporate risk assessment each year to identify current and potential risks in our complex operating environment, including but not limited to ESG aspects. It will also actively engage with various stakeholders to ensure that the Group's ESG performance meets their expectations. In addition, the Board, in order to address environmental related risks and social sustainability risks, has taken a series of measures to address the risks identified in the corporate risk assessment to reduce the impact of potential risks on stakeholders and the environment.

STAKEHOLDER ENGAGEMENT

In its activities with stakeholders, the Group is committed to creating positive social value. We define stakeholders according to their relationship with the Group, the extent to which they are affected by our business operations and the extent to which they influence the achievement of our business objectives. The Group believes it is important to consider the interests of all stakeholders in order to strengthen stakeholder relationships with our internal and external stakeholders. The key stakeholders engaged during the Reporting Period included investors, employees, suppliers, media, communities, customers and stock exchanges.

Stakeholder engagement is essential for the Group to understand their concerns and expectations in order to identify the most important aspects of ESG. It is the foundation of our sustainability strategy, supports our long-term sustainability and this ensures that the Group keeps abreast of ESG developments in our industry and the changing operating environment. At the same time the Group will continue to proactively engage with key stakeholder groups in a variety of ways to fully understand their views and expectations. The areas of concern to stakeholders are listed below:

Major Stakeholders		**Communication and Response Channels**	**Major Concerns**
Internal	Employees	• Staff training events • Team building activities • Performance appraisal • Meetings and interviews	• Training opportunities and career development • Compensation & benefits • Health and safety of working environment • Employee rights, benefits and compensation
	Shareholders and Investors	• Press release • Corporate Announcements and Circulars • Annual and Interim Reports • Annual General Meetings	• Sound risk management and effective corporate governance • Profitability • Financial stability and responsible investment • Information Disclosure & Transparency
External	Suppliers	• Tender conferences • Site visits • Supplier performance review • Phone calls	• Fair and transparent supplier selection process
	Governments and Supervisory Institutions	• Site visits and conferences • Examinations and inspections • Mandatory local and regional reporting requirements	• Compliance to laws and regulations • Community engagement and social welfare • Corporate governance • Environmental impact and carbon footprint
	Stock Exchanges	• Webinars and reports on regulatory updates • Training events • Online meetings	• Disclosure of materials ESG topics • Compliance with the Listing Rules • Corporate governance • Timely announcements and the publication of external reports
	Media	• Public relation events • Company website	• Financial performance • Corporate governance • Community engagement • Environmental impact
	Community	• Community volunteering events and services • Charitable activities	• Environmental impact • Community development and Charitable Activities • Corporate social responsibility
	Customers	• Customer service hotline and e-mails • Meetings and Correspondences • Telephone consultations	• Integrity of business • Quality of product and services • Privacy protection • Fair and reasonable pricing

During this period, we have learned through multiple communication channels the main points of concern for our key stakeholders, including ESG compliance, environmental impact and anti-corruption measures. At the same time, in order to contribute more in protecting the environment and supporting social contributions, we embarked on a wave of change to lead the business with sustainability as the main driver. We emphasize the importance of sustainability in our operational strategy, as we believe that for the Group to grow in the long term, we must follow a sustainable path.

MATERIALITY ASSESSMENT

During the Reporting Period, in order to help stakeholders understand the Group's ESG performance and enhance their understanding of sustainable development, the Group conducted an annual review to identify the main concerns and key interests of stakeholders on ESG issues through a substantive assessment survey with stakeholder participation. Based on the level of influence and dependence of internal and external stakeholders on the Group, some stakeholders, including employees and suppliers, participated in this substantive assessment.

In addition, some stakeholders were invited to participate in an electronic survey to express their views on the list of ESG questions. The table below briefly shows the results of the assessment. The ESG issues located in the second quadrant (top right) are the most important areas of concern and will be prioritized for resource investment.

Below is the detailed methodology of our materiality assessment method:

1. Design of the methodology: The materiality analysis was designed around the implementation of ESG initiatives and is in line with the materiality principles outlined in the Reporting Principles section above and the Listing Rules.

2. Identification of material ESG issues: The Group relies on the previous year's material ESG issues and stakeholder feedback and policies and procedures, industry and international trend reports, regulatory updates and external standards to identify ESG issues.

3. Stakeholder validation and engagement: ESG issues are rated with internal and external stakeholders based on a rating range from 0 (no significance) to 6 (high significance). Other ESG issues not covered in the above assessment can also be raised and stakeholders are encouraged to provide feedback on our engagement approach.

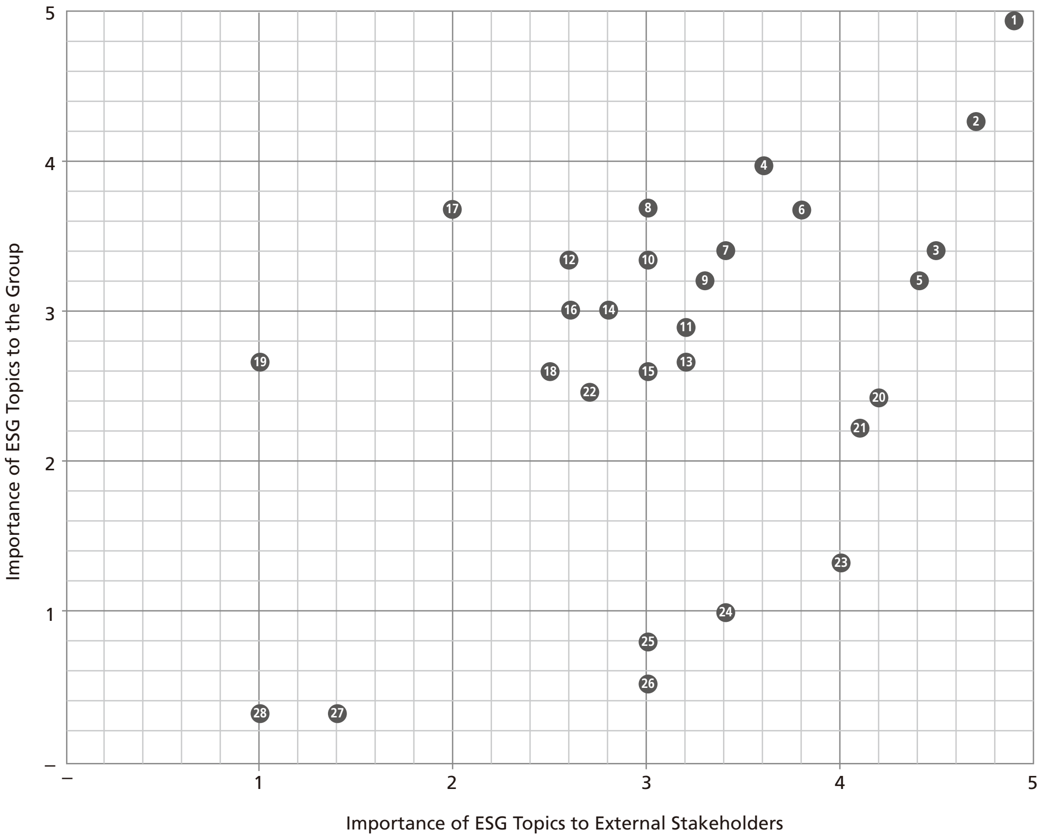
4. Prioritization of significant ESG issues: Through statistical analysis of the data, ESG issues are prioritized according to their importance and presented in a chart.

The following table provides an overview of the ranking of materiality of the ESG topics of the Group:

Item	ESG Topic	Item	ESG Topic
1	Employee remuneration, benefits and rights	15	Environmental risks and social risks of the suppliers
2	Product health and safety	16	Marketing communications
3	Selection and monitoring of suppliers	17	Number of concluded legal cases regarding corrupt practices
4	Customer satisfaction	18	Environmentally preferable products and services
5	Employee development and training	19	Community support
6	Customer information and privacy	20	Energy use
7	Anti-corruption policies and whistle-blowing procedure	21	Water use
8	Cultivation of local employment	22	Preventing child and forced labour
9	Observing and protecting intellectual property rights	23	Hazardous waste production
10	Anti-corruption training provided to directors and staff	24	Non-hazardous waste production
11	Occupational health and safety	25	Mitigation measures to protect environment and natural resources
12	Diversity and equal opportunity of employees	26	Climate change
13	Use of materials	27	Air emissions
14	Product and service labelling	28	Greenhouse gas emissions

The following table briefly shows the results of the assessment:

Materiality Assessment Matrix



Through the above analysis, the Group has identified "Employee Compensation, Benefits and Rights", "Product Health and Safety" and "Supplier Selection and Monitoring" as highly important issues. Given the high level of concern over these significant issues, the Group has carefully evaluated the risks and opportunities behind these issues, which are detailed in the following sections of this ESG report.

INFORMATION AND FEEDBACK

The Group welcomes all feedback from investors and stakeholders in particular the important areas identified in the materiality assessment. Your opinion is highly valued, should you have any suggestions or comments, please contact us through the channels below:

Post:	Unit 02, 11/F, Eastmark, 21 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong
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A. ENVIRONMENT

A1 EMISSIONS

The Group is committed to sustainable development and environmental management as an important part of our business strategy. Also in order to promote better environmental management, the Group continues to make its best efforts to comply with all laws, regulations and rules relating to air and greenhouse gas emissions in its operations, including but not limited to, the Air Pollution Control Ordinance (Cap 311), and the Protection of Odour Layer Ordinance (Cap 403). During the Reporting Period, the Group was not aware of any non-compliance with laws and regulations relating to emissions and the environment.

In general, the Group's energy consumption and raw material use are relatively low within the scope of its operations. The Group's main business is the provision of high quality financial services with minimal direct impact on the environment and, in addition, we do not generate hazardous waste.

Air Emissions

Due to the nature of its business, the Group does not generate significant emissions. In view of the daily business activities of the Group, direct emissions are mainly from the combustion of fuel in the operational vehicles. The Group endeavours to use alternative channels to replace the use of daily business vehicles, such as arranging online calls or video conferences. If in-person meetings are required for business purposes, the Group encourages the use of public transportation for long distances and bicycles or walking for short distances.

Regarding the approximate amounts of sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") and respiratory suspended particulate matter ("RSP") generated during the Group's operations, the figures are shown in the table below:

Emissions from Vehicles	Units	2021/22	2020/21	Percentage Comparison
Units of fuel consumed by vehicles	Liters	11,904.92	7,293.71	63.22%
Sulphur oxides (SO_x)	Kilograms	0.18	0.11	63.64%
Nitrogen oxides (NO_x)	Kilograms	6.04	5.44	11.03%
Respiratory suspended particles (RSP)	Kilograms	0.44	0.39	12.82%

During the Reporting Period, the total emission of SO_x, NO_x and RSP are 0.18 kg, 6.04 kg, and 0.44 kg, respectively. Comparing to the emissions data in the last Reporting Period, the air emissions of SO_x, NO_x and RSP have increased 63.64%, 11.03% and 12.82% respectively. The Group will keep monitoring on the emissions data in order to reduce the usage of vehicles in the future. The Group is aware of the air pollutants generated from vehicles usage and will consider to use a more environment-friendly fuel type, such as electricity or other biomass sources, in the upcoming Reporting Period to reduce carbon footprint.

Greenhouse Gas (GHG) Emissions

The Group has been closely monitoring the level of greenhouse gas emissions and exploring different ways to reduce our carbon footprint. The Group's main contribution to its carbon footprint comes from indirect GHG emissions from air travel for business purposes and electricity consumption, mainly due to the use of office equipment in the workplace, including but not limited to lighting systems, air conditioning and office machines. The Group's greenhouse gas emissions can be broadly categorized into direct emissions (Scope 1), indirect emissions from energy (Scope 2) and other indirect emissions (Scope 3). During the Reporting Period, the greenhouse gas emissions are as follows:

Aspects[1]	**Units**[2]	**Emission 2021/22**	**2020/21**	**Percentage Comparison**
Scope 1 – Direct GHG Emissions[3]	tCO_2e	31.62	19.75	60.10%
Scope 2 – Indirect GHG Emissions[4]	tCO_2e	483.42	532.69	(9.25%)
Scope 3 – Other Indirect GHG Emissions[5]	tCO_2e	15.19	14.40	5.49%
Total GHG Emissions	**tCO_2e**	**530.23**	**566.84**	**(6.46%)**
GHG emission intensity[6]	**tCO_2e/number of employees**	**5.89**	**5.73**	**2.79%**

Notes:

1. The above GHG emission data have been compiled with reference to "How to prepare an ESG Report–Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
2. tCO_2e refers to tonnes of carbon dioxide equivalent.
3. Direct emissions of the Group were from fuel combustion in vehicle.
4. Energy indirect emissions of the Group were from purchased electricity.
5. Other indirect emissions of the Group included air travel for business, paper used and recycled and electricity used for fresh water and sewage processing by government department.
6. The intensity is calculated by dividing the GHG emissions by the Group's total number of employees during the Reporting Period.

During the year, the total carbon emissions are approximately 530.23 tonnes, representing a decrease of 36.6 tonnes, or 6.46%, compared with the figure in the last fiscal year. The Group endeavours to reduce the GHG emissions by reducing the energy consumption level and will continue to assess and record its greenhouse gas emissions and other environmental data annually and compare it with last year's data to assist the Group in further developing emission reduction targets in the future.

Waste Management

Due to the nature of our business activities, we did not generate significant amounts of hazardous waste from our operations during the Reporting Period. Our waste mainly comes from food waste and general office waste, which are non-hazardous. During the Reporting Period, the Group generated 3.88 tonnes of food waste and 1.49 tonnes of general office waste. As part of our environmental protection strategy, our non-hazardous waste is handed over to qualified waste disposal companies in each of our business areas for disposal in an appropriate manner.

Non-hazardous waste	**Units**	**2021/22**	**2020/21**	**Percentage Comparison**
Food waste	Tonnes	3.88	4.01[1]	(3.24%)
General office waste	Tonnes	1.49	1.49	–
Total non-hazardous waste	**Tonnes**	5.37	5.50	(2.36%)
Intensity of non-hazardous waste	**Tonnes/number of employees**	0.060	0.056	7.14%

Note:

1. Restate 8846 pounds to 4.01 tonnes.

During the Reporting Period, the Group adhered with all relevant laws and regulations on the generation of hazardous waste and non-hazardous waste including but not limited to the Waste Disposal Ordinance (Cap 354 of the Laws of Hong Kong). The Group adopts a range of environmental measures to reduce hazardous and non-hazardous waste. The Company also advocates for its employees to minimize any unnecessary waste of raw materials at the start of their work.

A2 USE OF RESOURCES

The Group is not a manufacturing company and, as such, the use of resources in our business activities is minimal. The Group understands that the proper use of resources is an integral part of sustainable development. The Group continues to uphold the highest environmental standards in our business operations as the Group believes that environmental protection is a key factor in the sustainable development of our business.

The Group's energy use mainly includes electricity and water as well as paper use. To meet regulatory requirements, the Group has developed and implemented a series of measures to regulate the use of resources, and our strategies for the effective use of electricity, water and paper are further elaborated in the "Electricity and Water Management" and "Paper" sections of this ESG report.

Electricity and Water Management

The Group is acutely aware that water plays an important role in many sustainable development trends. Water is not only an important resource for our society, but also vital to the natural environment; at the same time, managing the use of electricity wisely can help us further reduce energy consumption and ultimately reduce greenhouse gas emissions, and therefore the wise use of resources is an integral part of sustainable development. The resources used by the Group mainly refer to the electricity and water consumed by the office. The approximate electricity consumption of the Group during the Reporting Period is shown in the table below:

Types of Energy Sources	Units	2021/22	2020/21	Percentage Comparison
Direct energy consumption	**kWh**	**118,227.83**	**72,529.55**	**63.01%**
– Petrol	kWh	88,051.00	70,661.40	24.61%
– Diesel	kWh	30,176.83	27.19	110,885.03%
– Gas	kWh	–	1,840.96	(100.00%)
Indirect energy consumption	**kWh**	**1,205,513.50**	**991,315.50**	**21.61%**
– Electricity purchase	kWh	1,205,513.50	991,315.50	21.61%
Total energy consumption	**kWh**	**1,323,741.33**	**1,063,845.05**	**24.43%**
Energy consumption intensity	**kWh/number of employees**	**14,708.24**	**10,745.91**	**36.87%**

For the year ended 31 March 2022, the Group's energy consumption was 1,323,741.33 kWh, representing an increase of 259,896.28 kWh, or 24.43%, compared to the figure for the previous financial year. During the Reporting Period, the increase in electricity consumption was due to the leasing of new offices. The large variance in diesel energy consumption is due to two more diesel vehicles to be used in this fiscal year.

As our greenhouse gas emissions are largely based on our level of energy consumption, the Group has adopted a number of energy saving measures so as to optimize the use of electricity, reduce greenhouse gas emissions and demonstrate our commitment to protect the environment by complying with relevant laws and regulations, including but not limited to the Energy Efficiency (Labelling of Products) Ordinance (Cap. 598).

The Group actively promotes measures including, but not limited to, the following:

- Choose energy-saving appliances, such as using LED energy-saving lamps instead of traditional lamps;
- Turn off air conditioning and lighting systems during non-office hours;
- Reduce unnecessary energy use by setting the air conditioning to 25 degrees Celsius when it is running and keeping all doors and windows closed;
- Encourage employees to turn off equipment and appliances when not in use to conserve power in the workplace; and
- Post written notices such as "Energy Conservation" in the workplace to remind employees to conserve energy.

The details of the water consumption generated by the Group are as follows:

Indicators	Units	2021/22	2020/21	Percentage Comparison
Water consumption	cubic meters	5,816.01	9,323.00	(37.62%)
Water consumption intensity	cubic meters/number of employees	64.62	94.17	(31.38%)

The Group's water is used mainly for drinking water and for the daily activities of its employees. During the Reporting Period, the Group's water consumption was 5,816.01 cubic meters, a decrease of 3,506.99 cubic meters, or 37.62%. The Group is committed to raising awareness of water conservation among its employees and other stakeholders by implementing various measures and initiatives to reduce water consumption. These measures and initiatives include but are not limited to:

- Encouraging employees to develop good habits of water conservation by turning off water taps with their hands;
- Posting water conservation signs to raise employees' awareness of water conservation; and
- Strengthening the management of water-using equipment to prevent water leakage.

Paper

Conserving paper is one of the best measures to protect forests and the environment. In order to save energy and protect resources, the Group uses office paper scientifically and reasonably; for this reason, the Group also advocates its employees to: start from the side, save every piece of paper, cherish and protect our ecological environment. About the general situation of the Group's office paper use, see the following table:

Paper Usage	Units	2021/22	2020/21	Percentage Comparison
Paper consumption	Kilograms	2,413.16	1,794.41	34.48%
Total paper consumption intensity	Kilograms/number of employees	26.81	18.13	47.88%

During the Reporting Period, the Group consumed a total of 2,413.16 kilograms of paper, representing an increase of 34.48% over the previous year. The Group has also adopted a number of practical conservation measures to contribute to the saving of resources and to enable employees to consciously develop green and low-carbon working habits, including but not limited to the following:

- Encouraging employees to reduce unnecessary printing by sharing documents among colleagues via network transfer, thereby reducing paper usage;
- Encouraging double-sided printing and the use of waste paper in printing;
- Use recycled paper for informal documents and draft documents within the Group; and
- Set up waste paper recycling bins in the office, and put fully utilized paper and waste newspapers into the bins, and collect a certain amount for recycling and disposal.

Use of Packaging Materials

Packaging materials are used in the Group's business, mainly including compression bags, cartons and labels. Due to the nature of the business, the weight information of packaging materials is not important to the Group, so the disclosure here is based on the number of pieces. During the Reporting Period, the Group used 521,585.00, 122,886.00, 170,050.00 and 59,004.00 pieces of compression bags, cartons, labels and metal, respectively, in its daily operations. We continuously follow up on the use of materials to ensure that they are utilized to the maximum extent possible so as to avoid excessive storage and waste of materials.

Packaging Materials	**Units**	**2021/22**	**2020/21**	**Percentage Comparison**
Total consumption	Pieces	873,525	1,164,046	(24.96%)
– Compression bags	Pieces	521,585	761,518	(31.51%)
– Cartons	Pieces	122,886	187,627	(34.51%)
– Labels	Pieces	170,050	214,901	(20.87%)
– Metal	Pieces	59,004	–	–
Total consumption intensity	Pieces/number of employees	9,705.83	11,758.04	(17.45%)

The Group operates to the highest environmental standards in reducing resource use and non-hazardous waste generation, and strives to create a more efficient, environmentally friendly and paper-free workplace in the future, thereby continuing to reduce paper use and further protect the environment.

Investment Practices

The Group follows the principle of incorporating ESG issues into the investment analysis and decision-making process when acting as placement agent or underwriter for fundraising activities, actively seeking to work with companies that have good practices in addressing environmental, humanitarian and governance issues.

Companies that perform well in ESG, both in the immediate and long term, help generate better profits and returns for investors. Companies that perform well in ESG will have a long-term competitive advantage, be more resistant to falls and have a better reputation. Companies that focus on ESG factors significantly outperform the market average in resisting risk in the face of unpredictable and significant risks, and these factors can give investors great confidence. When the Group looks for investment targets, the Group reads the prospectuses and annual reports of these companies carefully and takes into account their transparency and accountability. The Group is concerned about who is managing these companies or who is serving on their boards and is concerned about the environmental, social and workers' rights conduct of these companies.

The Group seeks to create a resilient and sustainable future for our shareholders by partnering with environmentally conscious companies that (i) strive to reduce energy use, waste and pollution; (ii) make best efforts to conserve resources, such as using recyclable materials and minimizing paper communications; and (iii) develop natural resources in a responsible manner.

The Group looks for socially responsible companies that (i) work with high quality suppliers with high ethical standards; (ii) have high levels of customer satisfaction; (iii) interact with government and regulatory agencies with integrity; (iv) consider maximizing positive impacts and minimizing negative impacts on society when making decisions; and (v) provide charitable contributions and support to the community.

The Group wants to work with companies that respect workers' rights and human rights. These companies ensure the health and safety of the work environment and surrounding communities, and provide fair and equitable wages and benefits.

Companies with which the Group works should also have a robust governance mechanism that properly manages a variety of corporate governance issues, including but not limited to financial reporting and other disclosures, investor relations, executive compensation, conflicts of interest, and regulatory compliance.

The Group shares this set of principles and best practices with our key clients and encourages them to adopt the same principles when selecting companies in which to invest.

A3 THE ENVIRONMENT AND NATURAL RESOURCES

Because we are a non-production business, we do not cause any other significant pollution or damage to the environment or natural resources. The main environmental impact of the business is the indirect impact of carbon dioxide from the use of electricity and paper in the daily activities of the business. The Group has taken measures to reduce to reduce our carbon footprint and prevent any damage to the environment by adopting energy saving measures as mentioned in the "Emissions" and "Use of Resources" sections of the report. The Group complies with relevant laws and regulations and has not found any violations of regulations related to emissions and the environment during the Reporting Period.

We understand that the government, businesses and the public will be increasingly concerned about carbon emissions. The Group will continue to assess the climate and environmental risks in our business operations, formulate countermeasures and regularly review and update our environmental policies.

A4 CLIMATE CHANGE

According to the United Nations, climate change is occurring faster and more severely than expected, and for businesses, the effects of climate change are changing and even reshaping the current business ecosystem. With this new business challenge, the Group recognizes that addressing the risks of climate change scientifically and setting carbon reduction targets scientifically will become essential skills for the Group to turn risks into opportunities.

The money lending business is the core business of the Group and generates stable income for the Group, and in this business the weather is not expected to have a significant impact on our business. It is mainly a physical risk, which is caused by extreme weather related events such as thunderstorms, typhoons and hurricanes, resulting in employees being unable to provide services to customers. The Group will consider physically designing a set of interventions to address the impact and risk that climate change may have on the Group's business, for example, by issuing official weather warning reports at all times and reminding employees to prioritize the completion of projects in the office during extreme weather.

However, since 2015, the Group has been developing its retail and wholesale business, which represent only a small part of the Group's business. In this type of business, weather may pose a market risk to us in addition to physical risk, i.e., disruption by extreme weather that affects our retail and wholesale business operations, thus creating resilience risk, such as our suppliers not being able to supply normally. After assessing the relevant potential impact that may lead to the interruption of the Group's supply network, the Group maintains suppliers in different geographical locations in the list of qualified suppliers to prevent the interruption of the supply network. Therefore, the Group has not been affected by extreme weather such as flood and storm since its establishment, and the risk of being affected by flood and storm weather is relatively low.

The board of directors will also continuously monitor climate related matters and the dynamics of the government's actions to address climate change, and take actions to minimize the impact on business operations.

B. SOCIAL

B1 EMPLOYMENT

The Group insists in believing that employees are the company's most valuable asset and an indispensable part of the company's sustainable development. The Group is committed to the Group's endeavour to create a safe and healthy working environment, to provide a workplace free from any form of discrimination and harassment for its employees and to build a diverse workforce.

To this end the Group also establishes appropriate policies and procedures, including but not limited to recruitment, transfer and promotion, termination, salary, capital calculation and compensation, and other benefits. The Group focuses on a transparent recruitment and employment mechanism and also establishes a transparent platform to receive feedback from employees, measure employee satisfaction, focus on their personal growth, and protect and respect their legal rights.

During the Reporting Period, the Group adhered with the relevant laws and regulations regarding with labour, including but not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), and the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong). The Group did not find any incompliance with the relevant rules and regulations that had a significant impact on us.

At the end of the Reporting Period, the Group decreased the size of workforce by 9.09% compared with the previous year to 90 employees. The distribution of our workforce by gender, age, employment type and geographical region are as follows:

Number of Employee of the Group	As at 31 March 2022	As at 31 March 2021	Movement	Percentage Comparison
By Gender				
Male	36	45	(9)	(20.00%)
Female	54	54	–	–
By Age				
Below 30 years old	5	9	(4)	(44.44%)
Between 31 to 50 years old	49	56	(7)	(12.5%)
Over 50 years old	36	34	2	5.88%
By Employment Type				
Full-time	90	99	(9)	(9.09%)
Part-time	–	–	–	–
By Geographic Location				
Mainland China	–	–	–	–
Hong Kong	90	99	(9)	(9.09%)

The Group actively takes various measures to retain talents and thus reduce the turnover rate of employees, such as:

- Optimize the recruitment process so that candidates can fully understand the working environment and welfare level of the Group.
- Emphasis on training employees on corporate culture to improve their sense of cultural identity with the Group.
- Pay attention to the work pressure of employees and promote dialogue between management and employees to relieve the psychological pressure of employees.
- Expand the development channels for employees within the Group and provide employees with a competitive career platform so that the Group can fully meet the career development requirements of employees.

The employee turnover rate by (i) gender, (ii) age and (iii) geographical region are presented in the table below:

Percentage of Employee left the Group	Units	As at 31 March 2022	As at 31 March 2021	Percentage Point Change
Total	**Percentage**	**56.08%**	**35.35%**	**20.73%**
By Gender				
Male	Percentage	50.00%	28.89%	21.11%
Female	Percentage	64.81%	40.74%	24.07%
By Age				
Below 30 years old	Percentage	180.00%	77.78%	102.22%
Between 31 to 50 years old	Percentage	55.10%	37.50%	17.60%
Over 50 years old	Percentage	47.22%	20.59%	26.63%
By Geographic Location				
Mainland China	Percentage	–	–	–
Hong Kong	Percentage	58.89%	35.35%	23.54%

Note:

The formula to calculate total percentage of employees left the Group is the total number of employees left divided by the average number of employees during that reporting period. The percentage of employees left the Group by geographic location is calculated by employees in the specified category leaving employment divided by the number of employees in the specified category.

Compared with the previous year, the Group's turnover rate increased from 35.35% to 56.08% this year, which is in line with the Group's people-oriented philosophy. The Group will make further efforts to continue to give more attention to its employees and integrate them into the Group as a family so as to further reduce the turnover rate of employees.

Compensation Package

In all labour relations within the Group, whether it is recruitment, promotion or dismissal, the Group only places importance on the candidate's or employee's ability, qualifications, experience and performance to match the job. We arrange a fair and reasonable remuneration package for all employees, and the top salary of employees is not only related to the market salary but also to their job duties, annual performance, professional designation, etc. In addition, the compensation package set by the Group includes additional compensation benefits and bonuses, which are adjusted according to the performance of employees' compensation targets. These goals are designed to align employee performance with the Group's strategic objectives. Employees are also entitled to benefits under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) and the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

All our employees are basically entitled to fair wages, fixed working hours, and all statutory holidays, leave and benefits in accordance with laws and regulations, including but not limited to sick leave, maternity leave, marriage leave, paternity leave and jury leave. In addition, the Group organizes various leisure activities for its employees, including but not limited to annual dinners, birthday or Christmas parties, to enhance employee cohesion.

Recruitment, Promotion and Dismissal

Our set is committed to developing diversified talent recruitment channels to meet our recruitment needs. In the recruitment process, we strictly abide by the Recruitment System and use objective criteria such as the principle of "openness, transparency, fairness and impartiality" to make the selection. We also prohibit any discriminatory behaviour against any applicant or current employee.

The Group has established an "Employee Manual", which includes terms and conditions of employment, employee working hours, rest periods, employee benefits (entitled holidays, insurance and training), and Office rules and policies, etc. In addition, the Group provides various forms of incentives to employees, including but not limited to competitive salaries and benefits. These incentives are evaluated based on employees' personal qualifications and work performance, and refer to the situation of companies in the same industry that year.

The Group provides open and equal promotion opportunities for each employee by having them complete a self-assessment through qualitative and quantitative indicators and an assessment with their supervisors to determine whether they have sufficient knowledge and expertise in the field to be promoted based on their performance. Encourage employees to go above and beyond by providing a healthy competitive environment.

When employees resign, the Group will provide them with reasonable compensation for their resignation based on their reasons and policies. We will also understand employees' thoughts and feelings and suggestions during their employment with the Group. The feedback from employees will be used to further develop the Group's working conditions and thus increase employee satisfaction.

During the Reporting Period, the Group has complied with employment-related laws and regulations.

Diversity and Inclusion

The Group values a diverse workforce that can bring more of the best talent to the Group. Gaining more talent and building a more cohesive team creates impactful results for our stakeholders. This is consistent with our "people first" philosophy and underpins our commitment and initiatives.

Our leadership team is committed to upholding the principles of diversity and inclusion and strictly prohibits any form of discrimination against employees and applicants for employment based on gender, race, colour, national origin, religion, sexual orientation, disability, military service or marital status and other status protected by local law. The Group believes that with a diverse team, it will stimulate creativity and bring new ideas to our business.

During the Reporting Period, the Group will continue to focus on the principles of diversity and inclusion with innovative solutions, products and services to meet the needs of our stakeholders and changing markets, and to create a professional and positive workplace for our employees.

B2 HEALTH AND SAFETY

The health and safety of our employees is the foundation of our stable operation. Therefore, we have been creating a safe and healthy working environment to promote the physical and mental health of our employees.

The total indicators regarding to health and safety are as follows:

Indicators	2021/22	2020/21
Number of work-related fatalities	–	–
Rate of work-related fatalities[1]	–	–
Number of reportable injuries[2]	–	1
Number of reportable occupational diseases	–	–
Number of lost days due to work injury[3]	–	296

Notes:

1. The rate of work-related fatalities is calculated based on the number of injuries per 200,000 hours worked (employees working 40 hours per week for 50 weeks).

2. Reportable injuries refer to work-related accidents to employees resulting in incapacity for a period exceeding three days in Hong Kong.

3. Lost days refer to the days that could not be worked as a consequence of a worker being unable to perform their usual work because an occupational accident or disease.

The Group is concerned about the safety and health of all employees and has medical allowance for all full-time employees and medical insurance and employees' compensation insurance. When an accident or injury occurs on our premises, the management team will be notified immediately and an investigation will be initiated to analyse the cause of the accident.

The Group has established policies and procedures for primary hazard prevention and all aspects of workplace health and safety. The main objectives of this policy are (1) to maintain and improve the physical health and working conditions of employees; (2) to further reduce the risk of occupational hazards; and (3) to develop a work culture in a direction that supports health and safety in the workplace. All employees must comply with all policies and procedures related to fire safety, suspicious mail alerts, storm warnings, typhoon arrangements and office tidiness policies in order to avoid employee injuries from the above.

The Group complied with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong). In addition, the Group is not aware of any violation of laws and regulations relating to the health and safety of employees.

Novel coronavirus pneumonia pandemic ("COVID-19")

As the COVID-19 pandemic continues to spread around the world, the Group is also prioritizing the pandemic situation and implementing long-term pandemic response and recovery mechanisms to help minimize disruption and achieve business continuity. In the face of the serious epidemic, we have responded positively to the government's call to encourage our staff to work from home in order to minimize the number of situations where they are at risk.

In terms of work environment, the Board of Directors has established an office in Hong Kong and has taken proactive measures to provide a safe, clean and healthy work environment to protect employees from occupational hazards, including but not limited to: conducting temperature screening, disinfecting frequently touched surfaces on a regular basis and requiring the wearing of surgical masks. The Group has also implemented a no smoking policy which prohibits employees from smoking in any area of the office to provide a healthy, safe and free breathing work environment.

During the year under review, no cases of non-compliance with Hong Kong's health and safety laws and regulations were found.

B3 DEVELOPMENT AND TRAINING

The Group cares about the career planning and development of its employees and believes that the provision of good training can help enhance their quality of work and their speedy integration into the business, thereby strengthening the overall development and overall competitiveness of the Group. This not only strives to help employees acquire the expertise to perform their duties, but also helps them develop a lifelong career. Training includes internal, external, induction, on-the-job, competency and corporate culture training, covering management systems and regulations, market trends and industry-related expertise.

Training programs are designed to meet the different needs of employee types, particularly new hires, front-line employees, supervisory staff and employees with compliance functions. Upon joining the firm, all new employees are given a briefing on AML/CTF as part of their induction. To ensure that these sessions provide value to our employees and our business, employees are invited to provide feedback on their preferred training topics.

Our mission is to equip our employees with important skills to remain relevant in an ever-changing world. All directors of the Group receive comprehensive, formal and targeted induction training to ensure that they understand the Group's business operations, the responsibilities of directors and their obligations under the Listing Rules and other regulatory requirements. They also receive regular training on the latest relevant statutory requirements and market changes to ensure that they have a high level of awareness of industry trends.

In order to develop our talented workforce, we encourage our employees to set career goals each year and are supported in this process by our HR and culture departments. Employee training schedules are all planned by the directors and updated regularly for the relevant employees. Records of training participation will be kept by the directors.

As of 31 March 2022, all employees have participated in training for a total of 201 hours. The training information by gender and employee category compared to last year are as follows:

Number of employees trained by the Group	As at 31 March 2022	As at 31 March 2021[1]	Percentage Comparison
Total employees trained	90	99	(9.09%)
Percentage of employees trained[2]	**100%**	**100%**	**–**
By Gender			
Male	36	45	(20.00%)
Percentage of male trained[2]	**40%**	**45%**	**(5.00%)**
Female	54	54	–
Percentage of female trained[2]	**60%**	**55%**	**5.00%**
By Employee Category			
Management	32	38	(15.79%)
Percentage of Management trained[2]	**36%**	**38%**	**(2.00%)**
Frontline and other employees	58	61	(4.92%)
Percentage of frontline and other employees trained[2]	**64%**	**62%**	**2.00%**

Notes:

1. Restate training information for FY2021.

2. Percentage change = the percentage of training in FY2022 – the percentage of training in FY2021.

Average training hours of the Group	As at 31 March 2022	As at 31 March 2021	Percentage Comparison
Total hours	201	207	(2.90%)
Average training hours per employee	**2.23**	**2.09**	**6.70%**
By Gender			
Male	3.08	1.84	67.39%
Female	1.67	2.05	(18.54%)
By Employee Category			
Management	2.22	1.74	27.59%
Frontline and other employees	2.24	2.01	11.44%

Employees received on average of 2.23 training hours, representing an increase of 6.70%, compared to the figure for the previous financial year. The decreasing amount of training is due to COVID-19. The Group will pay more attention to the development of employees and provide more training opportunities in the future.

B4 LABOUR STANDARDS

The Group strictly complies with all laws and regulations relating to the prohibition of child labour or forced labour, including but not limited to the Prohibition of Child Labour Regulations, and the Employment Ordinance (Chapter 57 of the Laws of Hong Kong). The Group strictly prohibits the employment of child labour and forced labour, discrimination and harassment. We strive to fulfil our responsibilities to our employees, respect their legitimate rights and interests, promote their career development, improve the working environment and pay attention to their physical and mental health in order to achieve the mutual development of the Group and our employees. In the event of suspected violations or infringement of employees' personal rights, employees can report to the management through different communication channels which are available for employees to report to the management. The Group will first enquire the employee concerned and conduct an in-depth investigation into the case. The Group will review and improve the relevant systems to plug the loopholes.

To maintain a clean working environment, the Group has established a transparent recruitment and hiring mechanism. Applicants will be screened by collecting their original identity documents and graduation certificates. The Human Resources Department first verifies the legitimacy and authenticity of the relevant documents, as well as that they are 16 years old or older. In all hiring decisions, including recruitment, promotion and dismissal, the Group only considers the qualifications, experience and performance of candidates or employees relevant to the job function. The terms and conditions of employment are set out in the "Employee Handbook", which all new employees are required to sign to confirm their acceptance.

During the Reporting Period, the Group was not aware of any violations of laws and regulations concerning the prohibition of child labour that significantly affected us, nor were there any cases of forced or child labour.

B5 SUPPLY CHAIN MANAGEMENT

The Group is principally engaged in the wholesale and retail of groceries, cash coupons and frozen foods. The Group is registered as a food importer/food distributor under the Food Safety Ordinance. The Group values the environmental and social impacts of its business activities and takes measures to minimize the adverse environmental and social impacts of the Group and its suppliers and service vendors. All suppliers must become qualified before providing materials and services to the Group. In the process of assessing, selecting and evaluating suppliers and service vendors, we are more keen to select those who respect the environment and respect sustainable development. In addition, we focus on indicators such as product and service quality, cost, delivery time and stability, safety management and relevant qualifications. We also conduct on-site reviews and meeting discussions to gain insight into our suppliers' environmental, social and governance performance, business operations and their risk management approach to mitigate environmental and social risks.

During the Reporting Period, the number of suppliers is listed below.

Number of Suppliers by Region	**2021/22**	**2020/21**	**Percentage Comparison**
Hong Kong	104	102	1.96%
Korea	1	1	–
Taiwan	12	7	71.43%
Malaysia	1	1	–
Japan	4	–	–

The Group is committed to the environmental and social governance aspects and continues to integrate the principles of sustainability into its supply chain management. The Group recognizes that supply chain management plays an important role in its business development and attaches great importance to the environmental and social performance of its suppliers. The Group requires its supply chain partners to comply with reasonable principles of ethical business conduct recognized by the Group and to monitor their business practices in order to reduce their impact on society.

The Group has established procedures to select and evaluate suppliers in accordance with the requirements and criteria established by the Group to ensure that the goods procured comply with the relevant standards and guidelines. In selecting and evaluating suppliers, the Group also considers their environmental compliance records and commitment to social responsibility. In the selection process, preference is given to suppliers who are environmentally and socially responsible.

B6 PRODUCT RESPONSIBILITY

The Group believes that high quality products are directly related to a good reputation and sustainable business development. Through strict internal controls, the Group strives to ensure that our operations are in compliance with the regulations of the regions in which we operate. In particular, in the food distribution business, the Group has established an internal food safety management system in accordance with the requirements of ISO 22000:2005 to ensure that food products are subject to extensive evaluation during processing and delivery. The Product Quality and Product Recall Policy defines the procedures for sample receipt and inspection, sample return and product detail preparation. The quality assurance department inspects products before they are put into storage to ensure that the quality of the products is free from defects. We adopt a customer-first mentality and listen to them, which allows us to enhance their experience with our products and services.

In addition, the Group provides financial services such as loans to individuals and businesses in Hong Kong. The Group's lending business is operated as a licensed money lender under the Money Lenders Ordinance ("MLRO").

During the Reporting Period, the Group has not identified any products and services that do not comply with the relevant legal and regulatory requirements in respect of health and safety, advertising and labelling.

Complaints Handling Procedures

Providing a memorable and positive customer experience is a collective effort of our staff and as such, the Group takes complaint resolution seriously and is committed to responding to any complaints in an efficient, timely and courteous manner. The Group has established policies and procedures for handling complaints. The Customer Service Department is responsible for reviewing all customer complaints, collecting evidence, and providing feedback and recommendations on general complaints.

The Group has established several communication platforms, such as customer service hotline and email, for our customers to lodge complaints. In addition to general suggestions, specific or complex complaints will be forwarded to the relevant department heads for special handling. Upon receipt of all complaints, the Group will provide an initial response and take appropriate follow-up action. Complaints involving any unethical or illegal issues may be escalated to management for further appropriate action.

In order to facilitate effective communication with customers, the Group has been implementing the following measures:

1) Provide multiple communication channels, such as service hotline, email, etc., to facilitate communication between customers and us;

2) providing timely acknowledgement of receipt of customer feedback, including providing a copy of the communication, the date and time of registration and the communication reference code; and

3) respond to customer needs in a timely manner in an appropriate and meaningful manner.

During the Reporting Period, no cases of non-compliance were identified around product or service liability in accordance with relevant laws and regulations.

Intellectual Property Rights

Although intellectual property rights are considered to be immaterial to our business, the Group still abides to the Patents Ordinance (Cap. 514 of the Laws of Hong Kong), and the Copyright Ordinance (Cap. 528 of the Laws of Hong Kong). The Group will continue to evaluate whether intellectual property rights is significant to the business and will develop methods to safeguard the intellectual property rights where necessary.

Product Recall

The safety of our customers remains our utmost priority. If the Group identifies that the maintenance materials and products may have safety hazards or quality problems, the Group will trace back all affected products as soon as possible in accordance with regulations. The Group will further conduct an investigation to gain a better understanding of the situation to determine whether a recall is necessary. Once the recall is confirmed, the Customer Service Department will be responsible for initiating the recall procedure, supervising the entire recall process, and providing compensation to the affected customers with value-added services and feedback on the extent of the impact. During the Reporting Period, there were no recall of sold or shipped products due to safety and health reasons.

Confidentiality

The Company is committed to protecting the personal information of its customers. The Company strictly complies with laws and regulations on privacy issues, such as the Personal Data (Privacy) Ordinance of Hong Kong. The Company collects and uses customers' personal information in a responsible and non-discriminatory manner, limiting the use of information to consistent purposes as defined by the Personal Data (Privacy) Ordinance of Hong Kong. As cyber security threats continue to evolve, the Group will also continue to enhance our privacy action plans and improve cyber security resilience to prevent any leakage of confidential data. We have further developed our IT internal control systems and continue to invest in our cyber security initiatives.

Our Group has a contractual obligation to our customers to maintain confidentiality, i.e. all transaction details, contracts and other related information are considered confidential. Collected data is retained only as long as it is compatible with the purpose and will be destroyed when the purpose has expired. Unauthorized personnel are not allowed to access and review any confidential data.

During the Reporting Period, no violations of data protection and privacy as required by relevant laws and regulations were identified.

B7 ANTI-CORRUPTION

The Group does not tolerate any corruption, fraud or other violations of professional ethics. The Group values and upholds the principles of integrity, honesty and fairness in the conduct of our business, which are essential to maintaining our reputation and the confidence of our business partners. An ethical culture, including zero tolerance for corruption and bribery, is also an important factor in the health and sustainability of our business. In order to make this firm commitment in our business, the Group has developed an Anti-Money Laundering and Counter-Terrorist Financing Policy and Procedures (the "AML and Counter-Terrorist Financing Policy") and Anti-Bribery and Corruption Statement with reference to the Drug Trafficking (Recovery of Proceeds) Ordinance (Cap. 405), the Organized and Serious Crimes Ordinance (Cap. 455), the United Nations (Anti-Terrorism Measures) Ordinance (Cap. 575) and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615). The AML and Counter-Terrorist Financing Policy sets out clear responsibilities and obligations for the Group's directors and employees and defines a range of terms relating to anti-corruption, explaining how these terms apply in a variety of situations to ensure compliance.

The Company is committed to the highest ethical standards and in order to promote anti-fraud principles and consistent organizational behaviour, the Group is required to:

- Conduct regular AML and CTF risk assessments in order to identify, assess and take effective action to mitigate its ML/TF risks;

- Encourage employees to speak up against unethical behaviour, criminal activity, fraud, misconduct, management overreach, and non-compliance with regulations;

- Obtain necessary information from customers prior to conducting business with them and potentially take all reasonable steps and customer due diligence procedures; and

- Arrange for personnel to conduct the necessary ongoing monitoring of transactions to identify suspicious transactions.

For customers with higher risk levels, additional measures will be taken, i.e. enhanced customer due diligence procedures. The Group has put in place appropriate controls and monitoring procedures to monitor accounts consisting of frequent cash transactions, suspicious transaction patterns and large third-party transactions. In the area of combating terrorist financing, the Group applies the principle of customer due diligence, Know Your Customer ("KYC") to monitor any unusual transactions and identify the beneficiaries.

The Group is committed to creating a culture of integrity and fairness by accepting internal complaints and whistleblowing. The whistleblowing channels set out in the Anti-Money Laundering and Anti-Terrorist Financing Policy and Procedures are in place and employees at all levels can raise any concerns without fear of retaliation. Reporting of any suspected business irregularities is encouraged within the Group and each reporting channel has a procedure in place to ensure that reports of unethical behaviour are confidential and anonymous. Also, the discovery of a violation is a matter that all employees can respond to the Anti-Money Laundering Compliance Manager or Compliance Officer or, in extremely serious cases, by filing a complaint or report directly to the Chairman of the Audit Committee of the Board of Directors.

The Group did not identify any non-compliance with laws or regulations that have a material impact on bribery, extortion, fraud or money laundering during the Reporting Period. During the period under review, the Group complied with all applicable anti-money laundering laws and regulations in Hong Kong and conducted regular internal assessments to evaluate the different risk factors of the Group's money laundering activities.

The Group holds regular training sessions on employee behaviour, ethics and integrity literacy, aimed at challenging employees to assess their ethical beliefs, promoting ways to make their work environment more ethical, and improving their ability to prevent and identify different anti-corruption and anti-bribery cases. However, affected by the COVID-19, the Company failed to provide anti-corruption training during the reporting period.

B8 COMMUNITY INVESTMENT

Recognizing our responsibility to the community, the Group is committed to providing available resources to support the community. Despite the impact of COVID-19, the Group continues to help the community by engaging in various community activities to encourage employees to participate in various charitable and voluntary activities.

We actively advocate our employees to seek opportunities to work with charitable organizations and participate in various charitable activities to draw the attention of the community and drive our employees to further participate in community services. The Group believes that through active participation in community service activities, employees can develop a sense of social responsibility and further enhance our reputation as an active community builder.

Looking ahead, the Group will continue to adhere to the principle of responsibility to our shareholders, investors, suppliers, customers and the public, seek further development opportunities and maintain a harmonious relationship with our stakeholders.

HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspects, General Disclosures and KPIs	Description	Relevant Chapter/Explanation
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions — Air Emissions
KPI A1.2	Direct (Scope 1) and energy indirect Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions — Waste Management
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions — Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources — Electricity and Water Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources — Electricity and Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources — Electricity and Water Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources — Electricity and Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources — Use of Packaging Materials

Aspects, General Disclosures and KPIs	Description	Relevant Chapter/Explanation
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
B. Social		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

Aspects, General Disclosures and KPIs	Description	Relevant Chapter/Explanation
Aspect B4: Labour Standard		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility－Complaints Handling Procedures
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility－Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility－Product Recall
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility－Confidentiality

Aspects, General Disclosures and KPIs	Description	Relevant Chapter/Explanation
Aspect B7: Anti-Corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focused area.	Community Investment

MOORE

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大華馬施雲
會計師事務所有限公司

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EASY REPAY FINANCE & INVESTMENT LIMITED

(Continued in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Easy Repay Finance & Investment Limited and its subsidiaries (collectively referred to as the "Group") set out on pages 52 to 120, which comprise the consolidated statement of financial position as at 31 March 2022, and the consolidated statement of 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 a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. 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 these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How the matter was addressed in our audit

Impairment losses on loans and advances to customers

We identified the impairment losses of loans and advances to customers as a key audit matter due to significant management judgements and estimates involved in identification and measurement of expected credit losses ("ECL").

As disclosed in note 21 to the consolidated financial statements, the carrying amount of loans and advances to customers is HK$121,212,000, after recognising an impairment allowance of HK$114,804,000 as at 31 March 2022.

The management estimates the provision for impairment of loans and advances to customers based on the measurement of ECL under a "three-stage" model. In measuring ECL of loans and advances to customers, the management uses judgements in applying the inputs and assumptions regarding probability of default and loss given default with reference to the historical delinquency ratio of loan portfolio, value of collateral and forward-looking information on macroeconomic factors. We focused on this area because the carrying amount of loans and advances to customers is significant to the consolidated financial statements and the management's impairment assessment of loans and advances to customers requires the use of significant judgements and estimates.

Our procedures in relation to the impairment losses on loans and advances to customers included:

- Understanding key controls and how the management estimates the provision for impairment of loans and advances to customers, and the methodology used by the management in the measurement of ECL;
- Testing the inputs used by the management in the measurement of ECL, by comparing individual items in the analysis with the relevant loan agreements and other supporting documents on a sample basis;
- Assessing the reasonableness of the inputs and assumptions applied to the ECL model for loans and advances to customers, including criteria on determination of internal credit ratings of loans and advances to customers, probability of default, loss given default, value of collateral and forward-looking information on macroeconomic factors;
- Reviewing the Group's historical loss experience;
- Testing the mathematical accuracy of the calculation in the ECL model;
- Examining underlying documentation supporting the value of collateral, if any, on a sample basis; and
- Evaluating the appropriateness of disclosures regarding the impairment assessment of loans and advances to customers in the consolidated financial statements.

KEY AUDIT MATTERS *(Continued)*

Key audit matter	How the matter was addressed in our audit
Impairment losses on interests in associates	
We identified the impairment losses of interests in associates as a key audit matter due to significant management judgements and estimates involved in the estimation of the recoverable amounts of interests in associates. As disclosed in note 16 to the consolidated financial statements, the carrying amount of interests in associates is HK$6,254,000, after recognising an impairment allowance of HK$14,700,000 as at 31 March 2022. The management estimates the recoverable amounts of interests in associates based on value in use calculation. In measuring the value in use of interests in associates, the management uses judgements in applying the inputs and assumptions regarding discount rate, terminal growth rate and expected change in turnover and direct costs. We focused on this area because the carrying amount of the interests in associates is significant to the consolidated financial statements and the management's impairment assessment of interests in associates requires the use of significant judgements and estimates.	Our procedures in relation to the impairment losses on interests in associates included: • Understanding key controls on how the management identifies the existence of impairment indicators and estimates the provision for impairment of interests in associates, and the methodology used by the management in the value in use calculation for interests in associates; • Assessing the reasonableness of the inputs and assumptions applied to the value in use calculation of interests in associates, including discount rate, terminal growth rate and expected change in turnover and direct costs; • Comparing current year's actual results with prior year's forecast to consider whether any inputs or assumptions applied to prior year's forecast, with hindsight, had been aggressive; • Testing the mathematical accuracy of the value in use calculation; • Reconciling inputs and assumptions to supporting evidence, such as current year's actual results, inflation rate and market data; and • Evaluating the appropriateness of disclosures regarding the impairment assessment of interests in associates in the consolidated financial statements.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the financial summary, corporate information, chairman's statement, management discussion and analysis, biographical details of directors and senior executives, corporate governance report, environmental, social and governance report and report of the directors but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors 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 directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Moore Stephens CPA Limited
Certified Public Accountants

Chan King Keung
Practising Certificate Number: P06057

Hong Kong, 24 June 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
Revenue from money lending	5(a)	**27,544**	31,189
Revenue from sale of goods	5(a)	**70,727**	84,179
Cost of goods sold		**(60,514)**	(62,253)
Gross profit from sale of goods		**10,213**	21,926
Investment and other income	6	**1,394**	7,646
Other gains and losses, net	7	**(8,123)**	(7,304)
Servicing, selling and distribution costs		**(9,855)**	(8,788)
Administrative expenses		**(57,930)**	(55,835)
Allowance for expected credit losses on trade receivables, net	34(b)	**(1,921)**	(4,311)
Allowance for expected credit losses on loans and advances to customers, net	21(b)	**(25,762)**	(80,504)
Finance costs	11	**(640)**	(231)
Share of results of associates		**291**	1,770
Share of result of a joint venture		**–**	(299)
Loss before tax	8	**(64,789)**	(94,741)
Income tax credit	12	**465**	43
Loss for the year and total comprehensive loss for the year		**(64,324)**	(94,698)
Loss for the year and total comprehensive loss for the year attributable to:			
Owners of the Company		**(64,324)**	(93,952)
Non-controlling interests		**–**	(746)
		(64,324)	(94,698)
Loss per share	13		
Basic and diluted		**HK$(0.27)**	HK$(0.39)

The notes on pages 58 to 120 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**12,248**	13,781
Right-of-use assets	15	**11,712**	4,079
Interests in associates	16	**6,254**	6,457
Deposits, prepayments and other receivables	20	**1,666**	91
Loans and advances to customers	21	**55,947**	59,921
		87,827	84,329
Current assets			
Inventories	18	**4,384**	8,124
Trade receivables	19	**13,234**	13,664
Deposits, prepayments and other receivables	20	**2,272**	2,855
Loans and advances to customers	21	**65,265**	100,565
Financial assets at fair value through profit or loss	17	**30,467**	23,631
Pledged bank deposits	22	**–**	1,004
Cash and cash equivalents	23(a)	**21,684**	44,523
		137,306	194,366
LIABILITIES			
Current liabilities			
Trade and other payables	24	**4,987**	5,143
Contract liabilities	25	**1,571**	1,149
Lease liabilities	26	**6,051**	2,768
Borrowings	27	**3,000**	–
Income tax payable		**–**	289
		15,609	9,349
Net current assets		**121,697**	185,017
Total assets less current liabilities		**209,524**	269,346

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Continued)*

31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
Non-current liabilities			
Lease liabilities	26	**6,154**	1,390
Deferred tax liabilities	29	**–**	262
		6,154	1,652
Net assets		**203,370**	267,694
EQUITY			
Equity attributable to owners of the Company			
Share capital	30(b)	**2,404**	2,404
Reserves	30(c)	**200,966**	265,290
Total equity		**203,370**	267,694

The notes on pages 58 to 120 are an integral part of these consolidated financial statements.

The consolidated financial statements on pages 52 to 120 were approved and authorised for issue by the board of directors on 24 June 2022 and are signed on its behalf by:

Siu Yeuk Hung, Clara
Director

Law Ka Kei
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2022

	Attributable to owners of the Company								
	Share capital	Share Premium	Share Option reserve	Capital reserve	Contributed surplus	Accumulated losses	Total	Non-Controlling Interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(note 30(b))	*(note 30(c)(i))*	*(note 30(c)(ii))*	*(note 30(c)(iii))*	*(note 30(c)(iv))*				
Balance at 1 April 2020	2,404	360,009	25	28,392	145,926	(176,038)	360,718	2,374	363,092
Loss for the year	–	–	–	–	–	(93,952)	(93,952)	(746)	(94,698)
Transactions with owners:									
Acquisition of non-controlling interests *(note)*	–	–	–	928	–	–	928	(1,628)	(700)
Transfer upon lapse of share options *(note 31)*	–	–	(25)	–	–	25	–	–	–
Total transactions with owners	–	–	(25)	928	–	(93,927)	(93,024)	(2,374)	(95,398)
Balance at 31 March 2021 and 1 April 2021	2,404	360,009	–	29,320	145,926	(269,965)	267,694	–	267,694
Loss for the year	**–**	**–**	**–**	**–**	**–**	**(64,324)**	**(64,324)**	**–**	**(64,324)**
Balance at 31 March 2022	**2,404**	**360,009**	**–**	**29,320**	**145,926**	**(334,289)**	**203,370**	**–**	**203,370**

Note : On 20 August 2020, the Group entered into a sale and purchase agreement with a non-controlling shareholder, pursuant to which the Group agreed to acquire 40% of equity interests in a subsidiary at a consideration of HK$100,000. The excess of HK$36,000 between the consideration paid to obtain non-controlling interests in a subsidiary and its carrying amount on the date of acquisition was recognised in capital reserve.

On 9 September 2020, the Group entered into a sale and purchase agreement with a non-controlling shareholder, pursuant to which the Group agreed to acquire 25% of equity interests in a subsidiary at a consideration of HK$600,000. The deficit of HK$964,000 between the consideration paid to obtain non-controlling interests in a subsidiary and its carrying amount on the date of acquisition was recognised in capital reserve.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2022

	Notes	2022 HK$'000	2021 HK$'000
Operating activities			
Loss before tax		**(64,789)**	(94,741)
Adjustments for:			
Depreciation on property, plant and equipment	14	**6,745**	5,518
Depreciation of right-of-use assets	15	**6,431**	5,471
Fair value loss/(gain) on financial assets at fair value through profit or loss, net	7	**3,914**	(1,503)
Gain on disposal of subsidiaries	28	**–**	(39)
Loss on disposal of an associate	7	**–**	2,817
Gain on disposal of a joint venture	7	**–**	(10)
Finance costs	11	**640**	231
Interest income from bank balances	6	**(2)**	(72)
Interest income from rental deposits	6	**(74)**	(49)
Loss on disposal of property, plant and equipment, net	7	**1,809**	2,137
Provision for impairment/write-down of inventories	8	**1,178**	454
Dividend income from financial assets at fair value through profit or loss	6	**–**	(22)
Allowance for expected credit losses on trade receivables, net	34(b)	**1,921**	4,311
Allowance for expected credit losses on loans and advances to customers, net	21(b)	**25,762**	80,504
Impairment of interests in associates	7	**2,894**	4,598
Share of results of associates		**(291)**	(1,770)
Share of result of a joint venture		**–**	299
		(13,862)	8,134
Decrease/(increase) in inventories		**2,562**	(4,960)
Increase in trade receivables		**(1,491)**	(11,086)
Increase in deposits, prepayments and other receivables		**(1,098)**	(162)
Decrease in loans and advances to customers		**13,512**	33,063
Decrease in trade and other payables		**(156)**	(2,269)
Increase in contract liabilities		**422**	95
Cash (used in)/generated from operations		**(111)**	22,815
Dividend received from financial assets at fair value through profit or loss		**–**	22
Interest received		**2**	71
Hong Kong Profits Tax (paid)/refunded		**(86)**	240
Net cash (used in)/generated from operating activities		**(195)**	23,148

CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

For the year ended 31 March 2022

	Notes	**2022** **HK$'000**	2021 HK$'000
Investing activities			
Decrease in pledged bank deposits		**1,004**	–
Purchase of financial assets at fair value through profit or loss		**(20,463)**	(32,258)
Proceeds from disposal of financial assets at fair value through profit or loss		**9,713**	10,370
Purchase of property, plant and equipment	14	**(7,052)**	(9,336)
Acquisition of interests in associates	16	**(2,400)**	–
Proceeds from disposal of subsidiaries	28	**–**	1,051
Proceeds from disposal of property, plant and equipment		**31**	3,192
Proceeds from disposal of an associate	16	**–**	7,180
Proceeds from disposal of a joint venture		**–**	56
Net cash used in investing activities		**(19,167)**	(19,745)
Financing activities			
Proceeds from borrowings	23(b)	**6,000**	–
Repayment of borrowings	23(b)	**(3,000)**	–
Interest paid	23(b)	**(109)**	–
Repayment to a joint venture	23(b)	**–**	(76)
Repayment of lease liabilities	23(b)	**(6,368)**	(5,542)
Acquisition of non-controlling interests		**–**	(700)
Net cash used in financing activities		**(3,477)**	(6,318)
Net decrease in cash and cash equivalents		**(22,839)**	(2,915)
Cash and cash equivalents at the beginning of year		**44,523**	47,438
Cash and cash equivalents at the end of year		**21,684**	44,523

The notes on pages 58 to 120 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. GENERAL INFORMATION

Easy Repay Finance & Investment Limited (the "Company") was an exempted company continued into Bermuda with limited liability with effect from 30 April 2008. The address of its registered office is Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda.

The principal places of business of the Company and its subsidiaries (collectively referred to as the "Group") are in Hong Kong. The Company's principal place of business in Hong Kong is Unit 02, 11/F., Eastmark, 21 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong. The Company's shares are listed on the Growth Enterprise Market (the "GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is the same as the functional currency of the Company and its subsidiaries, and all values are rounded to the nearest thousand except where otherwise indicated.

The Group is principally engaged in the money lending business, financial instruments and quoted shares investment and retail and wholesale business.

These consolidated financial statements were approved and authorised for issue by the board of directors on 24 June 2022.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current year had no material impact on the Group's financial position and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") *(Continued)*

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments[2]
Amendments to AG 5	Accounting Guideline 5 Merger Accounting for Common Control Combinations (Revised)[1]
Amendments to HKFRS 3	Reference to the Conceptual Framework[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)[2]
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to HKAS 8	Definition of Accounting Estimates[2]
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction[2]
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use[1]
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020[1]

1 Effective for annual periods beginning on or after 1 January 2022.
2 Effective for annual periods beginning on or after 1 January 2023.
3 Effective for annual periods beginning on or after a date to be determined.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs, which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA, and accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of preparation and consolidation

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments, which are measured at fair values at the end of each reporting period. The measurement bases are described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of preparation and consolidation *(Continued)*

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries and the Group's interests in associates and a joint venture. The income and expenses of subsidiaries acquired or disposed of during the year are included in profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

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

All intra-group transactions, balances, income and expenses within the Group are eliminated on consolidation.

Non-controlling interest in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Business combinations

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

– deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income taxes" and HKAS 19 "Employee benefits" respectively;

– liabilities or equity instruments related to share-based payment arrangements of the acquire or share-based payment arrangements of the Group entered to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based payment" at the acquisition date (see the accounting policy below); and

– assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current assets held for sale and discontinued operations" are measured in accordance with that standard.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations *(Continued)*

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in change in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Interests in associates *(Continued)*

An interest in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interest in the associate that are not related to the Group.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost, less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated using the straight-line method to write off the cost of each asset to its residual value over its estimated useful life as follows:

Leasehold improvements	20% or over the lease terms, whichever is shorter
Equipment	20% to 33%
Furniture and fixtures	20% to 50%
Motor vehicles	20%
Ship	10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in profit or loss.

Impairment on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives 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 relevant asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amounts of tangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units 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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rate basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) 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 a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, bank overdrafts and three-month time deposits.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

In the consolidated statement of financial position, bank overdrafts are shown in current liabilities.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. 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 market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) 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 are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and 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 asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income which is derived from the Group's ordinary course of business are presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

All other financial assets are subsequently measured at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term;
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or fair value through other comprehensive income as measured at financial assets at fair value through profit or loss ("FVTPL") if doing so eliminates or significantly reduces an accounting mismatch.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial instruments 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 from the next reporting period. If 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 from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Financial assets at FVTPL

Financial assets designated at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses, net" line item.

Credit losses and impairment of financial assets

The Group recognises a credit loss allowance for expected credit losses ("ECL") on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables and loans and advances to customers), and on loan commitments issued which are not measured at FVTPL. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition.

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group has applied loss rates which are reference to the default rates, adjusted for forward-looking factors and the economic environment.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Credit losses and impairment of financial assets (Continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months ("12m ECLs"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECLs).

At the end of each reporting period, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting period with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For financial assets, the Group considers that there has been a significant increase in credit risk when contractual payments are past due. The Group considers these financial assets are in default when contractual payments are 30 days past due.

Loan and advances to customers are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs.

Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12m ECLs.

Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 – Financial assets that are credit-impaired at the end of the reporting period (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the end of the reporting period 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 reasonably supportable, including historical experience and forward-looking information that is available without undue cost or effort.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in (1) regulatory, economic or technological environments; (2) business or financial 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; or

- financial reorganisation/restructuring entered by the debtors.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Credit losses and impairment of financial assets (Continued)

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

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

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.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when 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 collateral held by the Group).

Irrespective of the above, the Group considers that default has occurred when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 30 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default 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:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lenders of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concessions that the lenders would not otherwise consider;

(d) probable bankruptcy or other financial reorganisation entered by the debtor;

(e) probable shortfall that expected cash inflows from the realisation of collateral is below the carrying amount of financial assets; or

(f) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off the gross carrying amount of a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate.

A write-off constitutes a derecognition event. Any subsequent recoveries will result in an impairment gain and is included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Credit losses and impairment of financial assets (Continued)

(v) 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. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or caters for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the below basis:

- Nature of financial instruments (i.e. the Group's trade receivables, loans and advances to customers are each assessed as a separate group. Other receivables are collective assessed;
- Past-due status;
- External credit ratings where available; and
- Nature, size and industry of debtors.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics in accordance with the internal credit risk categories as disclosed in note 34(b).

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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 entity.

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

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

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 the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities (including trade and other payables and borrowings) are subsequently measured at amortised cost, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

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 net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, if it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

Leases

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.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

The Group as a lessee *(Continued)*

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of clinics that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life.

Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 "Financial Instruments" and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

The Group as a lessee *(Continued)*

Lease liabilities (Continued)

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments. The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

- the lease payments change due to changes in market rental rates following a market rent review/expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

The Group presents lease liabilities as a separate line item on the consolidate statement of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability 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.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Changes in the basis for determining the future lease payments as a result of interest rate benchmark reform

For changes in the basis for determining the future lease payments as a result of interest rate benchmark reform, the Group applies the practical expedient to remeasure the lease liabilities by discounting the revised lease payments using the unchanged discount rate and makes a corresponding adjustment to the related right-of-use assets. A lease modification is required by interest rate benchmark reform if, and only if, both of these conditions are met:

- the modification is necessary as a direct consequence of interest rate benchmark reform; and

- the new basis for determining the lease payments is economically equivalent to the previous basis (i.e. the basis immediately preceding the modification).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

The Group as a lessee *(Continued)*

Covid-19-related rent concessions

In relation to rent concessions that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 if the changes are not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at commencement date at amounts equal to net investments in the leases, measured using the interest rate implicit in the respective leases. Initial direct costs (other than those incurred by manufacturer or dealer lessors) are included in the initial measurement of the net investments in the leases. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases *(Continued)*

The Group as a lessor *(Continued)*

Refundable rental deposits

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and 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 bases 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 deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, joint ventures, and associates, 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 and interests are 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 profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset 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.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

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.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

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 are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income 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. Such grants are presented under "investment and other income".

Share-based payments

Equity-settled share-based payment transactions

Share options granted to employees

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.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions 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 (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. 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 the share-based payments 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 share-based payments reserve will be transferred to share option reserve. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payments reserve will be transferred to retained profits.

Revenue recognition

Revenue from contracts with customers

Under HKFRS 15, the Group recognises 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 the customer.

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.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Revenue from contracts with customers *(Continued)*

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 Group performs; 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.

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

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract liability relating to a contract are accounted for a presented on a net basis.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts.

Dividend income

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or a joint venture of the other entity (or an associate or a joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of these consolidated financial statements requires the directors of the Group to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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.

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

(a) Impairment allowances on loans and advances to customers

The Group estimates the provision for impairment of loans and advances to customers based on the measurement of ECL under a "three-stage" model. The allowance for ECL on the loans and advances to customers are calculated based on loss rates which are reference to the default rates from international credit rating agencies and historical data, adjusted for forward-looking information specific to the debtors and the economic environment. Specifically, a credit loss is the present value of the difference between (i) the contractual cash flows that are due to an entity under the contract and (ii) the cash flows that the entity expects to receive. Such assessment involves a high degree of estimation and uncertainty. When the actual future cash flows are less or more than expected, a material provision for ECL or material reversal of provision for ECL may arise, accordingly. As at 31 March 2022, the carrying amount of loans and advances to customers is HK$121,212,000 (2021: HK$160,486,000), after recognising an impairment allowance of HK$114,804,000 (2021: HK$155,225,000).

(b) ECL allowances for trade receivables

Management regularly assesses the allowance for ECL on trade receivables and recognises lifetime ECL for trade receivables. Allowances for ECL on trade receivables are made based on evaluation of ECL for trade receivables and involve exercise of management's judgments, which are made by reference to the estimation of the future cash flows discounted to the present value. A considerable amount of judgment is required in assessing the ultimate realisation of these debtors, including their current creditworthiness and the risk of default occurring on debtors with significant balances and/or collectively using a provision matrix with appropriate groupings. The assessment on the probability of default and loss given default is based on historical data adjusted by forward-looking information. As at 31 March 2022, the carrying amount of trade receivables is HK$13,234,000 (2021: HK$13,664,000), after recognising an impairment allowance of HK$6,288,000 (2021: HK$6,124,000).

(c) Impairment assessment on property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used. Based on the assessment prepared by the management, the recoverable amount of the relevant CGUs are larger than their carrying amounts and therefore no impairment was recognised in profit or loss for the year ended 31 March 2022.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(d) Impairment assessment on interests in associates

The Group estimates the recoverable amounts of these interests in associates based on value in use calculation. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the associates with assumptions of terminal growth rates and discount rates in order to calculate the present values. As at 31 March 2022, the carrying amounts of the Group's interests in Big Max Limited ("Big Max"), Diamond Brave Limited ("Diamond Brave"), Wing Way Limited ("Wing Way") and Sunshine Team Limited ("Sunshine Team") are HK$1,865,000, HK$2,773,000, HK$113,000 and HK$1,503,000 (2021: Big Max, Diamond Brave and Wing Way are HK$1,944,000, HK$3,115,000 and HK$1,398,000), after recognising impairment allowances of HK$2,681,000, HK$2,000,000, HK$4,169,000 and HK$1,050,000 (2021: Big Max, Diamond Brave and Wing Way are HK$2,509,000, HK$1,487,000 and HK$3,010,000), respectively.

5. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents the aggregate of the net amounts received and receivable from third parties for the year. There is no seasonality and cyclicality of the operations of the Group. The performance obligation is part of a contract that has an original expected duration of one year or less. Disaggregation revenue from contracts with the customers are as follows:

	2022	2021
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15		
Contracts with customers		
Retail sales of grocery products and coupons and restaurant operation	**32,206**	50,042
Wholesale of frozen food and processed food	**38,521**	34,137
	70,727	84,179
Revenue from contracts with customers not within the scope of HKFRS 15		
Revenue from money lending	**27,544**	31,189
	98,271	115,368
Timing of revenue recognition within the scope of HKFRS 15		
At point in time	**70,727**	84,179

Revenue from contracts with customers are recognised at a point in time.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Segment information

The chief operating decision makers have been identified as the executive directors of the Company (the "Executive Directors"). The Executive Directors review the Group's internal reporting in order to assess performance and allocate resources. Management determined the operating segments based on these reports.

Management assesses the performance based on the nature of the Group's businesses which are principally located in Hong Kong, and comprises (i) money lending; and (ii) groceries retail and wholesale.

Segment results represent the loss generated by each segment without allocation of central administration costs, investment and other income, other gains and losses, finance costs, share of results of associates, share of result of a joint venture and income tax credit/expense. This is the measure reported to the Executive Directors for the purposes of resources allocation and assessment of segment performance.

Segment assets include all assets, other than unallocated corporate assets. Segment liabilities include all liabilities, other than unallocated corporate liabilities, current tax liabilities and deferred tax liabilities.

(c) Segment results, assets and liabilities

	Money lending		**Groceries retail and wholesale**		**Total**	
	2022	2021	**2022**	2021	**2022**	2021
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue from external customers	**27,544**	31,189	**70,727**	84,179	**98,271**	115,368
Reportable segment loss before tax	**(27,611)**	(79,934)	**(22,006)**	(5,102)	**(49,617)**	(85,036)
Depreciation of property, plant and equipment	**2,246**	2,090	**3,111**	2,380	**5,357**	4,470
Depreciation of right-of-use assets	**565**	–	**3,824**	2,853	**4,389**	2,853
Allowance for expected credit losses on trade receivables, net	**–**	–	**1,921**	4,311	**1,921**	4,311
Allowance for expected credit losses on loans and advances to customers, net	**25,762**	80,504	**–**	–	**25,762**	80,504
Reportable segment assets	**170,202**	199,514	**33,563**	51,016	**203,765**	250,530
Additions to property, plant and equipment	**578**	4,687	**1,847**	4,210	**2,425**	8,897
Reportable segment liabilities	**2,762**	1,157	**10,453**	4,929	**13,215**	6,086

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

(d) Reconciliations of reportable segment revenue, loss before tax, assets and liabilities

	2022 HK$'000	2021 HK$'000
Revenue		
Reportable segment revenue and consolidated revenue	**98,271**	115,368

	2022 HK$'000	2021 HK$'000
Loss before tax		
Reportable segment loss before tax	**(49,617)**	(85,036)
Unallocated head office corporate expenses	**(8,094)**	(11,287)
Investment and other income	**1,394**	7,646
Other gains and losses, net	**(8,123)**	(7,304)
Finance costs	**(640)**	(231)
Share of results of associates	**291**	1,770
Share of result of a joint venture	**–**	(299)
Consolidated loss before tax	**(64,789)**	(94,741)

	2022 HK$'000	2021 HK$'000
Assets		
Reportable segment assets	**203,765**	250,530
Unallocated corporate assets	**21,368**	28,165
Consolidated total assets	**225,133**	278,695

	2022 HK$'000	2021 HK$'000
Liabilities		
Reportable segment liabilities	**13,215**	6,086
Unallocated corporate liabilities	**8,548**	4,915
Consolidated total liabilities	**21,763**	11,001

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

(e) Information about major customers

Revenue from customer of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2022	2021
	HK$'000	*HK$'000*
Customer A	**16,899**	N/A[1]

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

(f) Geographical information

All of the Group's operations and assets are located in Hong Kong, in which all of its revenue was derived.

6. INVESTMENT AND OTHER INCOME

	2022	2021
	HK$'000	*HK$'000*
Dividend income from financial assets at FVTPL	–	22
Government grants *(note)*	–	5,642
Interest income from		
– bank balances	**2**	72
– rental deposits	**74**	49
Rental income from sub-letting of		
– office premises	**22**	142
Sponsorship income	–	422
Others	**1,296**	1,297
	1,394	7,646

Note: During the year ended 31 March 2021, the Group recognised government grants of HK$5,642,000 in respect of Covid-19-related subsidies, including Employment Support Scheme and Retail Sector Subsidy Scheme provided by the Hong Kong government. There was no unfulfilled condition or contingency in respect of the government grants.

7. OTHER GAINS AND LOSSES, NET

	2022	2021
	HK$'000	*HK$'000*
Fair value (loss)/gains on financial assets at FVTPL, net	**(3,914)**	1,503
Gain on disposal of subsidiaries *(note 28)*	–	39
Loss on disposal of an associate *(note 16)*	–	(2,817)
Gain on disposal of a joint venture	–	10
Impairment loss of interests in associates *(note 16)*	**(2,894)**	(4,598)
Loss on disposal of property, plant and equipment, net	**(1,809)**	(2,137)
Others	**494**	696
	(8,123)	(7,304)

8. LOSS BEFORE TAX

	2022	2021
	HK$'000	HK$'000
Loss before tax is arrived at after charging:		
Auditors' remuneration	**780**	710
Commission expense		
– Money lending business	**3,863**	1,524
– Retail and wholesale business	**427**	77
Minimum lease payments in respect of short-term leases of land and buildings	**530**	76
Employee benefit expenses		
– Basic salaries, allowances and other benefits in kind	**32,130**	30,803
– Retirement benefit scheme contributions	**2,203**	2,007
	34,333	32,810
Depreciation of property, plant and equipment *(note 14)*		
– Owned assets (included in administrative expenses)	**5,487**	4,698
– Owned assets (included in cost of sales)	**1,258**	820
	6,745	5,518
Depreciation of right-of-use assets *(note 15)*		
– Included in administrative expenses	**5,846**	4,883
– Included in cost of sales	**585**	588
	6,431	5,471
Carrying amount of inventories sold	**44,241**	47,820
Provision for impairment on/write-down of inventories (included in cost of sales)	**1,178**	454
Cost of inventories recognised as expenses	**45,419**	48,274

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Pursuant to section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefit of Directors) Regulation (Cap. 622G) and the GEM Listing Rules, the remuneration paid or payable to each of the five (2021: eight) directors of the Company is set out below:

	For the year ended 31 March 2022				
	Fees	**Salaries, allowances and benefits in kind**	**Bonus**	**Retirement benefit scheme contributions**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Executive Directors					
Ms. SIU Yeuk Hung, Clara, the Chairman (Appointed as the Chairman on 2 July 2020)	–	**741**	**62**	**18**	**821**
Mr. LAW Ka Kei (Appointed on 2 July 2020)	–	**622**	**60**	**18**	**700**
	–	**1,363**	**122**	**36**	**1,521**
Independent Non-Executive Directors					
Mr. LEE King Fui	**100**	–	–	–	**100**
Mr. HO Tak Yin (Appointed on 21 August 2020)	**100**	–	–	–	**100**
Mr. LEE Wing Lun (Appointed on 16 September 2020)	**100**	–	–	–	**100**
	300	–	–	–	**300**
Total emoluments	**300**	**1,363**	**122**	**36**	**1,821**

9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

	For the year ended 31 March 2021				
	Fees	Salaries, allowances and benefits in kind	Bonus	Retirement benefit scheme contributions	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive Directors					
Mr. SHIU Yeuk Yuen, the Chairman (Resigned from Executive Director and the Chairman on 2 July 2020)	66	–	–	–	66
Ms. SIU Yeuk Hung, Clara, the Chairman (Appointed as the Chairman on 2 July 2020)	–	741	100	18	859
Mr. LAW Ka Kei (Appointed on 2 July 2020)	–	387	108	13	508
	66	1,128	208	31	1,433
Independent Non-Executive Directors					
Mr. LEE King Fui	100	–	–	–	100
Mr. HO Siu King, Stanley (Resigned on 7 June 2020)	19	–	–	–	19
Mr. SIU Chi Yiu Kenny (Resigned on 18 June 2020)	22	–	–	–	22
Mr. HO Tak Yin (Appointed on 21 August 2020)	61	–	–	–	61
Mr. LEE Wing Lun (Appointed on 16 September 2020)	54	–	–	–	54
	256	–	–	–	256
Total emoluments	322	1,128	208	31	1,689

Except as disclosed above, there was no remuneration paid to other directors of the Company for the years ended 31 March 2022 and 2021.

During the years ended 31 March 2022 and 2021, no emolument was paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office and none of the directors of the Company has waived any emoluments during the year.

"Salaries, allowances and benefits in kind" paid to or for 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.

10. FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments in the Group, two (2021: two) were directors of the Company whose emoluments are included in the disclosures in note 9 above. The emoluments payable to the remaining three (2021: three) individuals in which all of them (2021: all of them) were senior management during the year are as follows:

	2022	2021
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	**1,904**	2,023
Retirement benefit scheme contributions	**54**	54
	1,958	2,077

The emoluments of the highest paid three (2021: three) individuals for the year fell within the following bands:

	Number of individuals	
	2022	2021
Emolument bands		
Nil – HK$1,000,000	**3**	3

11. FINANCE COSTS

	2022	2021
	HK$'000	*HK$'000*
Interest expenses on:		
Borrowings	**109**	–
Lease liabilities	**531**	231
	640	231

12. INCOME TAX CREDIT

	2022	2021
	HK$'000	*HK$'000*
Current tax: Hong Kong		
– Current year tax expense	**–**	290
– Over-provision in prior years	**(203)**	(95)
	(203)	195
Deferred tax *(note 29)*	**(262)**	(238)
Income tax credit	**(465)**	(43)

For the year ended 31 March 2022, Hong Kong Profits Tax was calculated at 16.5% (2021: Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%).

12. INCOME TAX CREDIT *(Continued)*

The tax credit for the year can be reconciled to the loss before tax per the consolidated statement of comprehensive income as follows:

	2022	2021
	HK$'000	*HK$'000*
Loss before tax	**(64,789)**	(94,741)
Tax at the domestic income tax rate at 16.5% (2021: 16.5%)	**(10,690)**	(15,632)
Tax effect of non-taxable income	**(160)**	(1,183)
Tax effect of non-deductible expenses	**865**	2,027
Tax effect of unused tax losses not recognised	**8,888**	15,241
Tax effect of utilisation of tax losses previously not recognised	**–**	(439)
Tax effect of deductible temporary differences not recognised	**883**	281
Tax effect of share of results of associates	**(48)**	(292)
Tax effect of share of result of a joint venture	**–**	49
Over-provision in prior years	**(203)**	(95)
Income tax credit	**(465)**	(43)

At the end of the reporting period, the Group has unused tax losses of HK$159,596,000 (2021: HK$105,728,000) for offset against future profits. A deferred tax asset has been recognised in respect of HK$3,276,000 (2021: HK$3,952,000) of such losses. The tax losses do not expire under current legislation. No deferred tax asset has been recognised in respect of the tax losses of HK$156,320,000 (2021: HK$101,776,000) due to the unpredictability of future profit streams.

As 31 March 2022, the Group has deductible temporary differences of HK$6,806,000 (2021: HK$223,000) of which deferred tax asset has not been recognised. Tax effect of such deductible temporary differences as at 31 March 2022 was HK$1,123,000 (2021: HK$37,000).

13. LOSS PER SHARE

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

	2022	2021
	HK$'000	*HK$'000*
Loss		
Loss for the year attributable to owners of the Company	**(64,324)**	(93,952)

	2022	2021
Number of ordinary shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**240,359,354**	240,359,354

The computation of diluted loss per share for the year ended 31 March 2022 and 2021 is the same as the computation of basic loss per share as there were no potential ordinary shares in issue.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Equipment	Furniture and fixtures	Motor vehicles and ship	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost					
At 1 April 2020	9,719	8,513	4,382	14,328	36,942
Additions	2,421	5,938	977	–	9,336
Disposals	–	(1,150)	–	(13,110)	(14,260)
Disposal of a subsidiary	(1,970)	(277)	(50)	–	(2,297)
At 31 March 2021 and 1 April 2021	10,170	13,024	5,309	1,218	29,721
Additions	6,310	681	61	–	7,052
Disposals	(5,449)	(1,079)	(1,437)	(602)	(8,567)
At 31 March 2022	11,031	12,626	3,933	616	28,206
Accumulated depreciation					
At 1 April 2020	3,973	4,739	3,622	8,193	20,527
Charge for the year	2,289	1,863	598	768	5,518
Written back on disposals	–	(1,042)	–	(7,889)	(8,931)
Disposal of a subsidiary	(991)	(161)	(22)	–	(1,174)
At 31 March 2021 and 1 April 2021	5,271	5,399	4,198	1,072	15,940
Charge for the year	3,644	2,357	621	123	6,745
Written back on disposals	(3,635)	(1,069)	(1,421)	(602)	(6,727)
At 31 March 2022	5,280	6,687	3,398	593	15,958
Carrying amounts					
At 31 March 2022	**5,751**	**5,939**	**535**	**23**	**12,248**
At 31 March 2021	4,899	7,625	1,111	146	13,781

15. RIGHT-OF-USE ASSETS

	Land and buildings HK$'000
Cost	
At 1 April 2020	9,004
Additions	1,838
Lease modification	(573)
Disposal of a subsidiary	(1,322)
At 31 March 2021 and 1 April 2021	8,947
Additions	14,064
Termination of lease	(5,693)
At 31 March 2022	17,318
Accumulated depreciation	
At 1 April 2020	3,725
Charge for the year	5,471
Lease modification	(3,226)
Disposal of a subsidiary	(1,102)
At 31 March 2021 and 1 April 2021	4,868
Charge for the year	6,431
Written back on termination of lease	(5,693)
At 31 March 2022	5,606
Carrying amounts	
At 31 March 2022	**11,712**
At 31 March 2021	4,079

For both years, the Group leases office buildings for its operations. Lease contracts which effective interest rates of 4.4% (2021: 4.4%) are entered into for fixed terms of 12 months to 3 years (2021: 12 months to 3 years), but may have extension and termination options included. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is beyond its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

16. INTERESTS IN ASSOCIATES

	2022 HK$'000	2021 HK$'000
Unlisted shares, at cost	**19,250**	16,850
Share of post-acquisition profit	**1,704**	1,413
Less: allowance for impairment	**(14,700)**	(11,806)
	6,254	6,457

Notes:

(i) On 15 September 2020, the Group entered into a sale and purchase agreement with Topwise Global Holdings Limited ("TGHL"), pursuant to which the Group agreed to dispose of its 22% equity interests in TGHL and TGHL agreed to repurchase its own shares, at a consideration of HK$8,192,000. The consideration was partly settled by cash amounted to HK$7,180,000 during the year ended 31 March 2021 and the remaining HK$1,012,000 was settled by a waiver of amount due to TGHL. A net loss of disposal of the associate of HK$2,817,000 was recognised in profit or loss during the year ended 31 March 2021.

(ii) On 15 April 2021, the Group entered into sale and purchase agreements with an independent third party to acquire 20% equity interests in Sunshine Team at considerations of HK$2,400,000. The considerations were settled by cash during the year ended 31 March 2022.

(iii) Particulars of the Group's interests in the Group's material associates at 31 March 2022 and 2021 are as follows:

Name of associates	Class of shares held	Particulars of paid up capital	Proportion of ownership interest held by the Group				Principal activities	Place of incorporation and operations
			Directly		Indirectly			
			2022 %	2021 %	**2022 %**	2021 %		
Big Max	Ordinary	HK$100 (2021: HK$100)	**20**	20	**N/A**	N/A	Operation of a restaurant	Hong Kong
Diamond Brave	Ordinary	HK$100 (2021: HK$100)	**20**	20	**N/A**	N/A	Operation of a restaurant	Hong Kong
Wing Way	Ordinary	HK$100 (2021: HK$100)	**20**	20	**N/A**	N/A	Operation of a restaurant	Hong Kong
Sunshine Team	Ordinary	HK$100	**20**	–	**N/A**	N/A	Operation of a restaurant	Hong Kong

All of the above associates are unlisted and accounted for using the equity method in the consolidated financial statements.

16. INTERESTS IN ASSOCIATES *(Continued)*

Notes: (Continued)

(iv) Impairment assessment of the interests in associates

As at 31 March 2022, due to the unfavorable market condition and the government policy of prohibition on group gathering, the management performed an impairment assessment on interests in Big Max, Diamond Brave, Wing Way and Sunshine Team with gross carrying amounts of HK$4,546,000, HK$4,773,000, HK$4,282,000 and HK$2,553,000 (2021: Big Max, Diamond Brave and Wing Way of HK$4,453,000, HK$4,602,000 and HK$4,408,000), respectively. The recoverable amounts of the associates have been estimated based on value in use calculation, which uses cash flow projections covering a five-year period based on current year's actual results adjusted by expected changes in turnover and direct costs, and a discount rate of 14.11% (2021: 14.09%). Cash flows beyond the five-year period have been extrapolated using a terminal growth rate of 2.5% (2021: 2.5%) which do not exceed the historical average growth rate of the relevant market. Other key assumptions for the value in use calculation include the expected changes in turnover and direct costs for the projection of future cash flows. These assumptions are made based on the associates' past performance and management's expectation on the relevant market.

Based on the result of the impairment assessment, the recoverable amounts of the associates are lower than their carrying amounts. Accordingly, the Group has recognised provision for impairment on its interests in Big Max, Diamond Brave, Wing Way and Sunshine Team of HK$172,000, HK$513,000, HK$1,159,000 and HK$1,050,000 (2021: Big Max, Diamond Brave and Wing Way of HK$2,151,000, HK$550,000 and HK$1,897,000), respectively, during the year ended 31 March 2022. The carrying amounts of goodwill included interests in associates have been reduced accordingly.

(v) Summarised financial information of the material associates, reconciled to the carrying amounts in the consolidated financial statements, is disclosed below:

	2022 ***HK$'000***	2021 *HK$'000*
Big Max		
Gross amounts of the associate		
Non-current assets	**1,919**	4,552
Current assets	**3,330**	4,809
Current liabilities	**(2,370)**	(5,949)
Non-current liabilities	**–**	(999)
Equity	**2,879**	2,413
Revenue	**21,626**	23,651
Profit and total comprehensive income	**466**	2,818
Reconciled to the Group's interest in the associate		
Gross amount of net assets of the associate	**2,879**	2,413
Group's effective interest	**20%**	20%
Group's share of net assets of the associate	**576**	483
Goodwill	**3,970**	3,970
Accumulated impairment	**(2,681)**	(2,509)
Carrying amount in the consolidated financial statements	**1,865**	1,944

16. INTERESTS IN ASSOCIATES *(Continued)*

Notes: (Continued)

(v) Summarised financial information of the material associates, reconciled to the carrying amounts in the consolidated financial statements, is disclosed below: *(Continued)*

	2022	2021
	HK$'000	*HK$'000*
Diamond Brave		
Gross amounts of the associate		
Non-current assets	**4,683**	6,096
Current assets	**6,552**	6,843
Current liabilities	**(2,637)**	(3,646)
Non-current liabilities	**(4,851)**	(6,403)
Equity	**3,747**	2,890
Revenue	**16,411**	18,960
Profit and total comprehensive income	**857**	2,442
Reconciled to the Group's interest in the associate		
Gross amount of net assets of the associate	**3,747**	2,890
Group's effective interest	**20%**	20%
Group's share of net assets of the associate	**749**	578
Goodwill	**4,024**	4,024
Accumulated impairment	**(2,000)**	(1,487)
Carrying amount in the consolidated financial statements	**2,773**	3,115

	2022	2021
	HK$'000	*HK$'000*
Wing Way		
Gross amounts of the associate		
Non-current assets	**–**	4,258
Current assets	**926**	3,612
Current liabilities	**(360)**	(5,044)
Non-current liabilities	**–**	(1,630)
Equity	**566**	1,196
Revenue	**10,001**	18,306
(Loss)/profit and total comprehensive (loss)/income	**(630)**	1,428
Reconciled to the Group's interest in the associate		
Gross amount of net assets of the associate	**566**	1,196
Group's effective interest	**20%**	20%
Group's share of net assets of the associate	**113**	239
Goodwill	**4,169**	4,169
Accumulated impairment	**(4,169)**	(3,010)
Carrying amount in the consolidated financial statements	**113**	1,398

16. INTERESTS IN ASSOCIATES *(Continued)*

Notes: (Continued)

(v) Summarised financial information of the material associates, reconciled to the carrying amounts in the consolidated financial statements, is disclosed below: *(Continued)*

	2022
	HK$'000
Sunshine Team	
Gross amounts of the associate	
Non-current assets	**5,366**
Current assets	**2,593**
Current liabilities	**(1,976)**
Non-current liabilities	**(3,629)**
Equity	**2,354**
Revenue	**14,552**
Profit and total comprehensive income for the period from the acquisition	**762**
Reconciled to the Group's interest in the associate	
Gross amount of net assets of the associate	**2,354**
Group's effective interest	**20%**
Group's share of net assets of the associate	**471**
Goodwill	**2,082**
Accumulated impairment	**(1,050)**
Carrying amount in the consolidated financial statements	**1,503**

(vi) The Group has discontinued recognition of its share of losses of certain associates.

The amounts of unrecognised share of those associates, extracted from the relevant management accounts of the associates, both for the year and cumulatively, are as follows:

	2022	2021
	HK$'000	*HK$'000*
Unrecognised share of losses of associates for the year	**–**	–
Accumulated unrecognised share of losses of associates	**3,456**	3,456

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 HK$'000	2021 HK$'000
Listed equity securities		
– Hong Kong *(notes (i))*	**3,301**	7,233
Unlisted fund *(notes (ii))*	**27,166**	16,398
	30,467	23,631

Notes:

(i) The fair values of listed equity securities are determined by reference to their quoted market prices at the end of the reporting period and are categorised as level 1 under fair value measurement hierarchy.

(ii) The fair value of the Group's interests in the fund is determined by reference to its net asset value per share at the end of the reporting period, since the Group has the right to request for redemption of some or all of its interests in the fund at a redemption price, which equals to the net asset value, according to the private placing memorandum of the fund. The fair value of the Group's interests in the fund is categorised as level 3 under fair value measurement hierarchy.

18. INVENTORIES

	2022 HK$'000	2021 HK$'000
Merchandise, at cost	**4,384**	8,124

19. TRADE RECEIVABLES

	2022 HK$'000	2021 HK$'000
Trade receivables	**19,522**	19,788
Allowance for credit losses	**(6,288)**	(6,124)
	13,234	13,664

The Group maintains payment terms of cash on delivery for retail sales for both years ended 31 March 2022 and 2021. The credit term for certain wholesale customers is 0 to 30 days from the date of billing for the years ended 31 March 2022 and 2021. The Group did not hold any collateral as security or other credit enhancements over the trade receivables.

Included in the trade receivables are amounts due from associates amounting to HK$nil (2021: HK$5,322,000), after recognising an allowance for credit losses of HK$nil (2021: HK$1,171,000).

Details of allowance for credit losses refer to note 34(b).

The following is an aged analysis of trade receivables, net of impairment, presented based on the invoice dates:

	2022 HK$'000	2021 HK$'000
Within three months	**4,465**	5,735
Over three months and within one year	**8,769**	7,929
	13,234	13,664

20. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2022	2021
	HK$'000	*HK$'000*
Deposits *(note (iii))*	**2,360**	1,883
Prepayments	**1,172**	953
Other receivables	**406**	110
	3,938	2,946
Analysed for reporting purpose as:		
Current portion *(note (i))*	**2,272**	2,855
Non-current portion *(note (iii))*	**1,666**	91
	3,938	2,946

Notes:

(i) As at 31 March 2022 and 2021, the balances of deposits, prepayments and other receivables were expected to be utilised within one year from the end of the reporting period and hence were classified as current assets except for the long term rental deposit.

(ii) In the opinion of the directors of the Company, deposits, prepayments and other receivables are neither past due nor impaired.

(iii) Included in deposits was rental deposits of HK$1,754,000 (2021: HK$1,201,000) of which HK$1,386,000 (2021: HK$91,000) is expected to be utilised over one year.

21. LOANS AND ADVANCES TO CUSTOMERS

	2022	2021
	HK$'000	*HK$'000*
Loans and advances to customers	**236,016**	315,711
Allowance for credit losses	**(114,804)**	(155,225)
	121,212	160,486
Analysed for reporting purpose as:		
Current portion	**65,265**	100,565
Non-current portion	**55,947**	59,921
	121,212	160,486

As at 31 March 2022, loans and advances to customers of HK$17,400,000 (2021: HK$16,206,000) and HK$10,909,000 (2021: HK$17,486,000), respectively, are secured by the customers' pledged first charge and second charge properties located in Hong Kong of which the fair value of the property is higher of the respective loan. The remaining balances are unsecured which include unsecured personal loans and third mortgage loans.

All loans and advances to customers are denominated in HK$. The Group's loans and advances to customers related to a large number of diversified customers with principal amounts ranged from HK$6,000 to HK$15,000,000 (2021: HK$5,000 to HK$32,680,000). The loans and advances to customers carry fixed effective interest rate as follows with credit terms mutually agreed with the customers:

	Effective interest rate per annum	
Types of loan	**2022**	2021
Secured loan with properties (first charge and second charge)	**10% – 38%**	12% – 24%
Unsecured loan	**4% – 55%**	2% – 56%

21. LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

(a) Analysis of changes in the gross carrying amount is as follows:

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2020	71,685	210,114	73,668	355,467
Additions	93,254	–	–	93,254
Interest income recognised	10,963	18,260	1,966	31,189
Transfer from/to 12m ECL, net	(12,591)	(49,923)	62,514	–
Transfer from/to lifetime ECL (credit-impaired), net	–	(61,130)	61,130	–
Repayments	(83,295)	(62,269)	(11,942)	(157,506)
Amounts written off	–	–	(6,693)	(6,693)
At 31 March 2021 and 1 April 2021	80,016	55,052	180,643	315,711
Additions	103,221	–	–	103,221
Interest income recognised	19,815	3,396	4,333	27,544
Transfer from/to 12m ECL, net	(32,478)	6,957	25,521	–
Transfer from/to lifetime ECL (credit-impaired), net	–	(9,897)	9,897	–
Repayments	(102,107)	(19,524)	(22,646)	(144,277)
Amounts written off	(541)	(5,345)	(60,297)	(66,183)
At 31 March 2022	**67,926**	**30,639**	**137,451**	**236,016**

21. LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

(b) Analysis of changes in the corresponding allowance for credit losses is as follows:

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2020	2,371	26,201	52,842	81,414
Transfer from/to 12m ECL, net	(1,125)	(9,079)	10,204	–
Transfer from/to lifetime ECL, net	–	(7,376)	7,376	–
Recognition of allowance for ECL, net	662	342	79,500	80,504
Amounts written off	–	–	(6,693)	(6,693)
At 31 March 2021 and 1 April 2021	1,908	10,088	143,229	155,225
Transfer from/to 12m ECL, net	(805)	94	711	–
Transfer from/to lifetime ECL, net	–	(8,106)	8,106	–
Recognition of allowance for ECL, net	1,229	12,764	11,769	25,762
Amounts written off	(541)	(5,345)	(60,297)	(66,183)
At 31 March 2022	**1,791**	**9,495**	**103,518**	**114,804**

22. PLEDGED BANK DEPOSITS

As at 31 March 2021, the pledged bank deposits of HK$1,004,000 carried interest at the rate of 0.1% per annum with maturity period of three months. The above bank deposits have been pledged to banks to secure general banking facilities granted to the Group.

23. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise of cash at banks and security brokers and on hand.

(b) **Reconciliation of liabilities arising from financing activities**

The table below details the changes in the Group's major liabilities arising from financing activities, including both cash and non-cash changes:

	Lease liabilities *HK$'000*	Borrowings *HK$'000*	Total *HK$'000*
At 1 April 2021	**4,158**	**–**	**4,158**
Financing cash flows			
Repayment of lease liabilities	**(6,368)**	**–**	**(6,368)**
Proceeds from borrowings	**–**	**6,000**	**6,000**
Repayment of borrowings	**–**	**(3,000)**	**(3,000)**
Interest paid	**–**	**(109)**	**(109)**
	(6,368)	**2,891**	**(3,477)**
Other changes			
Additions to lease liabilities	**13,884**	**–**	**13,884**
Interest expenses on lease liabilities	**531**	**–**	**531**
Interest expenses on borrowings	**–**	**109**	**109**
	14,415	**109**	**14,524**
At 31 March 2022	**12,205**	**3,000**	**15,205**

23. CASH AND CASH EQUIVALENTS *(Continued)*

(b) Reconciliation of liabilities arising from financing activities *(Continued)*

	Amount due to an associate *HK$'000*	Amount due to a joint venture *HK$'000*	Lease liabilities *HK$'000*	Total *HK$'000*
At 1 April 2020	1,012	86	4,516	5,614
Financing cash flows				
Repayment of lease liabilities	–	–	(5,542)	(5,542)
Repayment to a joint venture	–	(76)	–	(76)
	–	(76)	(5,542)	(5,618)
Other changes				
Additions to lease liabilities	–	–	1,809	1,809
Modification of lease liabilities	–	–	3,144	3,144
Interest expenses on lease liabilities	–	–	231	231
Waiver of debt upon disposal of an associate	(1,012)	–	–	(1,012)
Waiver of debt upon disposal of a joint venture	–	(10)	–	(10)
	(1,012)	(10)	5,184	4,162
At 31 March 2021	–	–	4,158	4,158

24. TRADE AND OTHER PAYABLES

	2022	2021
	HK$'000	*HK$'000*
Trade payables	**2,134**	1,873
Other payables and accruals	**2,853**	3,270
	4,987	5,143

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

Included in other payables was promotion fees payable to a substantial shareholder, who ceased to be substantial shareholder on 4 May 2022, ("Former Substantial Shareholder") amounted to HK$100,000 (2021: HK$449,000).

At the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	2022	2021
	HK$'000	*HK$'000*
0–30 days	**2,106**	1,179
31–90 days	**28**	440
91–365 days	**–**	21
Over 365 days	**–**	233
	2,134	1,873

25. CONTRACT LIABILITIES

	2022	2021
	HK$'000	*HK$'000*
Receipt in advance of retail and wholesale products	**1,571**	1,149

All contract liabilities are expected to be recognised as income within one year.

Movements in contract liabilities are as follows:

	2022	2021
	HK$'000	*HK$'000*
At the beginning of year	**1,149**	1,054
Receipt in advance during the year	**9,618**	5,055
Revenue recognised during the year	**(9,196)**	(4,960)
At the end of year	**1,571**	1,149

26. LEASE LIABILITIES

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2022	2021
	HK$'000	*HK$'000*
At the beginning of year	**4,158**	4,516
Additions	**13,884**	1,809
Lease modification and reassessment	**–**	3,144
Interest expense	**531**	231
Payments during the year	**(6,368)**	(5,542)
At the end of year	**12,205**	4,158

	2022	2021
Lease liabilities payable		
Within one year	**6,051**	2,768
More than one year but less than two years	**5,271**	1,390
More than two years but less than five years	**883**	–
	12,205	4,158
Less: Amounts for settlement within 12 months shown under current liabilities	**(6,051)**	(2,768)
Amounts due for settlement after 12 months shown under non-current liabilities	**6,154**	1,390

27. BORROWINGS

	2022	2021
	HK$'000	*HK$'000*
Other loans (Unsecured)	**3,000**	–

The carrying amounts of above borrowings are repayable on demand.

The exposure of the Group's borrowings are as follows:

	2022	2021
	HK$'000	*HK$'000*
Fixed-rate borrowings	**3,000**	–

The effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2022	2021
Effective interest rate:		
Fixed-rate borrowings	**10%**	–

28. DISPOSAL OF SUBSIDIARIES

Year ended 31 March 2021

Disposal of Head Captain

On 24 March 2021, the Group disposed of 100% equity interest in Head Captain, which is engaged in operating a restaurant in Hong Kong, for a cash consideration of HK$2,100,000. The total net assets disposed of were as follows:

	HK$'000
Property, plant and equipment	**1,123**
Right-of-use assets	**220**
Inventories	**14**
Trade receivables	**117**
Deposits, prepayment and other receivables	**958**
Amounts due from the fellow subsidiaries	**450**
Cash and cash equivalents	**1,049**
Trade and other payables	**(1,029)**
Amounts due to the fellow subsidiaries	**(841)**
Net assets disposed of	**2,061**
Cash consideration	**2,100**
Less: net assets disposed of	**(2,061)**
Gain on disposal of a subsidiary	**39**
Net cash inflow arising on disposal	
Cash consideration received	**2,100**
Less: cash and cash equivalents disposal of	**(1,049)**
	1,051

29. DEFERRED TAX LIABILITIES

Deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

	Tax losses	Depreciation allowance in excess of related depreciation	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2020	(308)	808	500
Deferred tax credited to the profit or loss during the year *(note 12)*	(344)	106	(238)
At 31 March 2021 and 1 April 2021	(652)	914	262
Deferred tax credited to the profit or loss during the year *(note 12)*	112	(374)	(262)
At 31 March 2022	**(540)**	**540**	**–**

30. CAPITAL, RESERVES AND DIVIDENDS

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

(b) Share capital

	Number of shares	*HK$'000*
Authorised ordinary shares of HK$0.01 each:		
At 1 April 2020, 31 March 2021 and 31 March 2022	30,000,000,000	300,000
Issued and fully paid ordinary shares of HK$0.01 each:		
At 1 April 2020, 31 March 2021 and 31 March 2022	**240,359,354**	**2,404**

All issued shares rank pari passu in all respects with each other.

30. CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

(c) Reserves

(i) Share premium

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

(ii) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 3 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits/accumulated losses should the related options expire after the vesting period.

(iii) Capital reserve

Capital reserve represents (i) the difference between the nominal value of the shares of subsidiaries acquired and the nominal value of shares issued by the Company as consideration thereof pursuant to the reorganisation and (ii) the difference between the consideration paid/received to obtain/release non-controlling interests in certain subsidiaries and their respective carrying amount on the date of acquisition or disposal.

(iv) Contributed surplus

Contributed surplus represents the reduction of issued share capital.

Under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of the contributed surplus, if there are reasonable grounds for believing that: (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and the share premium account.

(d) Dividend

No dividend was paid or proposed during the year ended 31 March 2022 nor has any dividend been proposed since the end of the reporting period (2021: Nil).

31. SHARE-BASED COMPENSATION

The 2011 Share Option Scheme was effective on 4 January 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The purpose of the 2011 Share Option Scheme is to enable the Group to grant share options to the participants as incentives or rewards for their contribution to the Group.

Eligible participants of the 2011 Share Option Scheme ("Eligible Participants") include (i) any full-time employees of the Group and Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors) of the Company; (ii) any supplier of goods or services to any member of the Group or any entity in which any member of the Group holds an equity interest (the "Invested Entity"); (iii) any customer of any member of the Group or any Invested Entity; (iv) any person or entity that provides research, development or other technological support to any member 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; (vi) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (vii) any other group or classes of Eligible Participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The maximum number of share options permitted to be granted under the 2011 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at the date of approval of the 2011 Share Option Scheme.

The maximum number of share issuable under share options to each eligible participant in the 2011 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

As approved at the annual general meeting held on 7 January 2019, the mandate limit was refreshed. The total number of shares which may be issued upon the exercise of all options to be granted under the 2011 Share Option Scheme, shall not exceed 21,889,435 shares, being 10% of the number of shares in issue as at the date of approval of the refreshment of the mandate limit. After 21,850,000 options were granted on 10 December 2019, the total number of shares available for issue under the 2011 Share Option Scheme is 39,435 shares, representing approximately 0.016% of the Company's issued share capital as at the date of this Annual Report.

Share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time 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, which any 12-month period, are subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company, and commences after a vesting period and ends on a date which is not later than ten years from the date of offer of the share options.

The exercise price of share options is determinable by the directors of the Company, but shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of the share options; (ii) the average closing price of the Company's share as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The Group has no legal or constructive obligation to repurchase or settle the options.

31. SHARE-BASED COMPENSATION *(Continued)*

The movement of outstanding share options granted under the 2011 Share Option Scheme is as follows:

	2011 Share Option Scheme exercise price per share	Number of options
	HK$	*'000*
At 1 April 2020	0.265	385
Lapsed during the year	N/A	(385)
At 31 March 2021, 1 April 2021 and 31 March 2022	–	–

During the year ended 31 March 2021, the 2011 Share Option Scheme expired and the 385,000 outstanding share options were lapsed. Accordingly, the amount included in the share option reserve was transferred to accumulated losses.

32. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee-administered funds. Both the Group and the employees are required to contribute based on a fixed percentage of the employee's relevant income up to a maximum of HK$1,500 per employee per month.

Contributions to the MPF by the Group for its employees are fully and immediately vested in the employees once the contributions are made. There are no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution. Hence, there is no forfeited contributions which may be used by the Group to reduce the existing level of contributions.

33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

(a) Key management compensation

During both years, compensation of key management personnel represents directors' remuneration and those of senior staff as stated in notes 9 and 10, respectively. The directors' remuneration is determined by the remuneration committee having regard to the performance, responsibilities and experience of individuals and market trends.

(b) Performance guarantee provided

During the year ended 31 March 2021, the Company provided performance guarantee for an associate, Keep Choice Limited ("KCL"), regarding the management, operation and maintenance of a vehicle examination center. The letter of guarantee contains no specific amount and would be repaid on 31 March 2021. A counter-guarantee of 78% of the guarantee liability was provided by one of the ultimate shareholders of TGHL. Such arrangement was ceased on 31 March 2021.

33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES *(Continued)*

(c) Other related party transactions

The Group had significant transactions with the following related parties during the year:

Related party relationship	Type of transaction	Notes	Transaction amount 2022 HK$'000	2021 HK$'000
Directors of the Company	Sales of groceries products	*(ii)*	**16**	–
	Sales of cash coupons	*(ii)*	**–**	8
Associates	Sales of groceries products		**–**	6,492
	Sales of cash coupons		**–**	6
Former Substantial Shareholder	Promotion fees paid	*(ii)*	**1,200**	449
	Consultant fees paid	*(ii)*	**–**	198
Close family members of Former Substantial Shareholder	Promotion fees paid	*(ii)*	**609**	353
	Handling fees paid	*(ii)*	**254**	286

Notes:

(i) The directors of the Company are of the opinion that the above transactions were entered into at terms agreed by both parties and the terms of the transactions were determined by the directors with reference to the terms of similar transactions with unrelated third parties.

(ii) The related party transactions in respect of the sales of groceries products and cash coupons, promotion fees paid, consultant fees paid and handling fees paid above constitute connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules. However, those transactions are exempt from the disclosure requirements in Chapter 20 of the Listing Rules as they are below the de minimis threshold under Rule 20.74(1)(c) of the GEM listing Rules.

(iii) Except as disclosed above and elsewhere in the consolidated financial statements, there were no other significant related/connected party transactions with related parties during the year or significant balances with them at the end of the year.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial instruments by category

	2022 HK$'000	2021 HK$'000
Financial assets		
Financial assets at FVTPL	**30,467**	23,631
Financial assets at amortised costs		
– Trade receivables	**13,234**	13,664
– Deposits and other receivables	**2,766**	1,993
– Loans and advances to customers	**121,212**	160,486
– Pledged bank deposits	**–**	1,004
– Cash and cash equivalents	**21,684**	44,523
	158,896	221,670
Total	**189,363**	245,301
Financial liabilities		
Financial liabilities at amortised cost		
– Trade and other payables	**2,887**	2,858
– Borrowings	**3,000**	–
– Lease liabilities	**12,205**	4,158
Total	**18,092**	7,016

(b) Financial risk factors

The Group is exposed itself to variety of financial risks: market risk (including cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the directors of the Company. The overall objective in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate returns with acceptable risk levels.

The Group identifies ways to assess financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the directors of the Company.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors *(Continued)*

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Group's cash flow interest rate risk relates primarily to variable-rate cash at banks and security brokers. The Group's cash flow interest rate results mainly from the fluctuations of market interest rates.

The Group is exposed to fair value interest rate risk in relation to fixed-rate loans and advances to customers and pledged bank deposits. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Interest rates sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate cash at banks and security brokers at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2021: 50 basis points) increase or decrease in HIBOR is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Cash flow interest rate risk

If interest rates had been 50 basis points (2021: 50 basis points) higher/lower and all other variables were held constant, the Group's loss after tax for the year ended 31 March 2022 would decrease/increase by HK$91,000 (2021: decrease/increase by HK$186,000). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank balances.

Bank balances are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable rate bank balances is insignificant.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

(ii) Price risk

Equity price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is exposed to price risk arising from listed equity securities and unlisted fund classified as FVTPL (note 17) at 31 March 2022 and 2021.

Price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to price risks at the end of the reporting period. If prices of investments in listed securities and unlisted fund were 10% higher/lower, loss after tax would decrease/increase by HK$2,544,000 (2021: HK$1,973,000) for the Group as a result of the changes in fair value of investments which are classified as FVTPL.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors *(Continued)*

(b) Credit risk and impairment assessment

Credit risk refers to the risk that the borrowers or counterparties may default on their payment obligations due to the Group. These rights arise from the Group's lending and investment activities and sales of goods. Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statement of financial positions which are summarised in note 34(a).

In order to minimise the credit risk, the Group has established policies and systems for the monitoring and control of credit risk. The management has delegated different divisions responsible for determination of credit limits, credit approvals and other monitoring processes to ensure that follow-up action is taken to recover overdue debts and past due trade receivables. In addition, management reviews the carrying amounts of loans and advances to customers and trade receivables individually and collectively at the end of each reporting period to ensure that adequate loss allowance for ECL on financial assets is made. In this regard, management considers that the Group's credit risk is significantly reduced.

Loans and advances to customers

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, the Group has certain concentration of credit risk as 4% (2021: 15%) and 18% (2021: 29%) of the total loans and advances to customers was due from the Group's largest customer and the five largest customers within the money lending segment respectively.

The management is responsible for developing and maintaining the processes for measuring the ECL of the Group's loans and advances to customers. The ECL is assessed by the management regularly. The Group applies general approach to measure ECL on loans and advances to customers. In addition, forward-looking information is required in estimating the ECL, with the management considering expectation of certain macroeconomic indicators such as gross domestic product growth rate and unemployment rate.

Under the general approach, loans and advances to customers are classified into three stages to reflect the deterioration in credit quality. Impairment allowance of each stage is calculated based on the product of probability of default, loss given default and exposure at default. Stage 1 covers loans and advances to customers that have not deteriorated significantly in credit quality since initial recognition including those that are considered to be low credit risk investments. Stage 2 covers loans and advances to customers that have deteriorated significantly in credit quality since initial recognition. Stage 3 covers loans and advances to customers for which credit loss events occur and become credit-impaired. 12m ECL is recognised in Stage 1, while lifetime ECL are recognised in Stages 2 and 3.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors *(Continued)*

(b) ***Credit risk and impairment assessment*** *(Continued)*

Loans and advances to customers (Continued)

The Group's internal credit risk grading assessment on loans and advances to customers comprises the following categories:

Internal credit rating	Description	Basic for recognition of ECL
Normal	Borrowers can honour the terms of their loans. There is no reason to doubt their ability to repay the principal and interest in full on a timely basis.	12m ECL
Special mention	Borrowers are currently able to service their loans and interest, though repayment may be adversely affected by specific factors.	Lifetime ECL – not credit impaired
Sub-standard	Borrowers' ability to service their loans is in question and borrowers cannot rely entirely on normal business revenues to repay the principal and interest. Losses may ensue even when collateral items or guarantees are invoked.	Lifetime ECL – credit impaired
Doubtful	Borrowers cannot repay the principal and interest in full and significant losses will need to be recognised even when collateral or guarantees are invoked.	Lifetime ECL – credit impaired
Loss	Principal and interest of loans cannot be recovered or only a small portion of them can be recovered after taking all possible measures or resorting to all necessary legal procedures.	Amount is written off

The decision rules for stage allocation under general approach are as follows:

Stage	Decision rules (based on internal credit rating)
Stage 1	Loans and advances to customers with internal credit rating of "Normal"
Stage 2	Loans and advances to customers with internal credit rating of "Special mention"
Stage 3	Loans and advances to customers with internal credit ratings of "Sub-standard" and "Doubtful"

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors *(Continued)*

(b) ***Credit risk and impairment assessment*** *(Continued)*

Loans and advances to customers (Continued)

The table below shows the past due information based on the Group's credit policy, unless other information is available without undue cost or effort, and year-end staging classification at 31 March 2022 and 2021. The amounts presented are net carrying amounts of financial assets.

	12m ECL	Lifetime ECL (not credit-impaired)	Lifetime ECL (credit-impaired)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Loans and advances to customers				
– Not yet past due	**66,135**	**–**	**–**	**66,135**
– Less than 30 days past due	**–**	**21,144**	**–**	**21,144**
– More than 30 days past due	**–**	**–**	**33,933**	**33,933**
At 31 March 2022	**66,135**	**21,144**	**33,933**	**121,212**
Loans and advances to customers				
– Not yet past due	78,108	–	–	78,108
– Less than 30 days past due	–	44,964	–	44,964
– More than 30 days past due	–	–	37,414	37,414
At 31 March 2021	78,108	44,964	37,414	160,486

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors *(Continued)*

(b) ***Credit risk and impairment assessment*** *(Continued)*

Trade receivables

The Group applied simplified approach in HKFRS 9 to measures loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are assessed individually for debtors with significant and/or collectively using a provision matrix with appropriate groupings. As the Group's historical credit loss experience does not indicate significant different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables at 31 March 2022 and 2021:

	31 March 2022			31 March 2021		
	Expected loss rate	**Gross carrying amount**	**Loss allowance**	Expected loss rate	Gross carrying amount	Loss allowance
	%	***HK$'000***	***HK$'000***	*%*	*HK$'000*	*HK$'000*
Neither past due nor impaired	**0%**	**1,219**	**–**	0%	135	–
Within three months past due	**13%**	**3,720**	**474**	9%	6,180	580
Over three months but within one year past due	**14%**	**10,236**	**1,467**	14%	9,204	1,275
Over one year past due	**100%**	**4,347**	**4,347**	100%	4,269	4,269
		19,522	**6,288**		19,788	6,124

The estimated loss rates are estimated based on historical observed default rate and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtor is updated.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors *(Continued)*

(b) ***Credit risk and impairment assessment*** *(Continued)*

Trade receivables (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivable under simplified approach.

	HK$'000
As at 1 April 2020	2,381
Impairment losses recognised, net	4,311
Bad debts written off	(568)
As at 31 March 2021 and 1 April 2021	6,124
Impairment losses recognised, net	**1,921**
Bad debts written off	**(1,757)**
As at 31 March 2022	**6,288**

The Group writes off a trade receivable 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 debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors *(Continued)*

(b) ***Credit risk and impairment assessment*** *(Continued)*

Other receivables

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past due status, assessed that the expected loss rates for the other receivables was minimal. Thus, no loss allowance for other receivables was recognised as at 31 March 2022 and 2021.

Pledged bank deposits and bank balances

For the year ended 31 March 2022, all the Group's bank balances (2021: pledged bank deposits and bank balances) are deposited with major banks and security brokers located in Hong Kong. The expected credit losses for bank balances are insignificant because such assets are placed in banks and security brokers with good reputation.

(c) ***Liquidity risk***

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and other payables, amounts due to an associate and a joint venture, lease liabilities and its financing obligations and also in respect of its cash flow management. The Group manages its liquidity needs on a consolidated basis by carefully monitoring scheduled debt servicing payments for long term financial liabilities as well as forecast cash inflows and outflows due in day to day business.

The Group maintains a level of cash and cash equivalents and marketable securities deemed adequate by the management to meet its liquidity requirements for up to 30-day periods at a minimum. Funding for longer-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell longer-term financial assets.

Analysed below is the Group's remaining contractual maturities for its non-derivative financial liabilities at 31 March 2022 and 2021. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date on when the Group can be required to pay. Where the settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay. The maturity analysis for other non-derivative financial liabilities is prepared based on the scheduled repayment dates.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Financial risk factors *(Continued)*

(c) Liquidity risk *(Continued)*

The analysis is based on the financial liabilities' contractual undiscounted cash flows (including interest payments calculated using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay.

At 31 March 2022	**Weighted average effective interest rate** *%*	**On demand** *HK$'000*	**Within one year** *HK$'000*	**More than one year but within five years** *HK$'000*	**Total contractual undiscounted cash flows** *HK$'000*	**Carrying amount** *HK$'000*
Non-derivative financial instruments						
Trade and other payables	–	–	2,887	–	2,887	2,887
Borrowings	10	3,025	–	–	3,025	3,000
Lease liabilities	4.4	–	6,514	6,328	12,842	12,205
Total		3,025	9,401	6,328	18,754	18,092

At 31 March 2021	Weighted average effective interest rate *%*	On demand *HK$'000*	Within one year *HK$'000*	More than one year but within five years *HK$'000*	Total contractual undiscounted cash flows *HK$'000*	Carrying amount *HK$'000*
Non-derivative financial instruments						
Trade and other payables	–	–	2,858	–	2,858	2,858
Lease liabilities	4.4	–	2,881	1,429	4,310	4,158
Total		–	5,739	1,429	7,168	7,016

(c) Capital risk management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The capital structure of the Group consists of borrowings and equity attributable to owners of the Company (comprising issued share capital, share premium, reserves and retained profits/accumulated losses).

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts or the redemption of existing debts.

(d) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurement *(Continued)*

(i) ***Financial assets and liabilities measured at fair value*** *(Continued)*

Fair value hierarchy (Continued)

The following table presents the carrying value of the Group's financial instruments measured at fair value at the end of the reporting period on a recurring basis.

	Fair value	**Level 1**	**Level 3**
	HK$'000	*HK$'000*	*HK$'000*
As at 31 March 2022			
Financial assets at FVTPL			
– Listed equity securities	3,301	3,301	–
– Unlisted fund	27,166	–	27,166
As at 31 March 2021			
Financial assets at FVTPL			
– Listed equity securities	7,233	7,233	–
– Unlisted fund	16,398	–	16,398

During the years ended 31 March 2022 and 2021, there were no transfers between Level 1, Level 2 and Level 3. The Group's policy is to recognise transfers into and transfer out of Level 3 as of the date of the event or change in circumstances that caused the transfer.

	Fair value 2022	2021	**Valuation technique and key input**	**Significant unobservable input**
Financial assets at FVTPL (listed equity securities)	**3,301**	7,233	Quoted bid prices in an active market	N/A
Financial assets at FVTPL (unlisted fund)	**27,166**	16,398	Net asset value *(note)*	N/A

Note: The unlisted fund is redeemable at a redemption price equals to the net asset value as stated in the monthly shareholder's statement issued by the fund administrator.

Reconciliation of Level 3 fair value measurement of financial assets

	HK$'000
As at 1 April 2020	–
Addition	16,000
Fair value change recognised in profit or loss	398
As at 31 March 2021 and 1 April 2021	16,398
Addition	10,000
Fair value change recognised in profit or loss	768
As at 31 March 2022	**27,166**

34. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

(d) Fair value measurement *(Continued)*

(ii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 March 2022 and 2021.

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Statement of financial position of the Company at the end of the reporting period is as follows:

	2022	2021
	HK$'000	*HK$'000*
ASSETS		
Non-current assets		
Property, plant and equipment	**309**	399
Investment in a subsidiary *(note (i))*	**–**	–
Amounts due from subsidiaries	**208,548**	264,932
	208,857	265,331
Current assets		
Prepayments, deposits and other receivables	**136**	241
Financial assets at fair value through profit or loss	**3,301**	7,234
Amounts due from subsidiaries	**10**	9,853
Cash and cash equivalents	**676**	6,838
	4,123	24,166
LIABILITIES		
Current liabilities		
Other payables	**1,410**	1,844
Amounts due to subsidiaries	**8,200**	19,959
	9,610	21,803
Net current (liabilities)/assets	**(5,487)**	2,363
Net assets	**203,370**	267,694
EQUITY		
Equity attributable to owners of the Company		
Share capital	**2,404**	2,404
Reserves	**200,966**	265,290
Total equity	**203,370**	267,694

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Notes:

(i) Investment in a subsidiary

	2022	2021
	HK$'000	*HK$'000*
Investment in a subsidiary	**1,097**	1,097
Less: impairment	**(1,097)**	(1,097)
	–	–

The directors of the Company are of opinion that none of the Group's subsidiary that have non-controlling interests are material to the consolidated financial statements as a whole.

(ii) Particulars of the principal subsidiaries of the Company at 31 March 2022 and 2021 are set out in note 36.

(iii) Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Share capital	**Share premium**	**Share option reserve**	**Contributed surplus**	**Accumulated losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(note 30(b))	*(note 30(c)(i))*	*(note 30(c)(ii))*	*(note 30(c)(iv))*		
Balance at 1 April 2020	2,404	360,009	25	145,926	(170,827)	337,537
Loss for the year	–	–	–	–	(69,843)	(69,843)
Transactions with owners:						
Transfer upon lapse of share options	–	–	(25)	–	25	–
Transactions with owners	–	–	(25)	–	(69,818)	(69,843)
Balance at 31 March 2021 and 1 April 2021	2,404	360,009	–	145,926	(240,645)	267,694
Loss for the year	**–**	**–**	**–**	**–**	**(64,324)**	**(64,324)**
Balance at 31 March 2022	**2,404**	**360,009**	**–**	**145,926**	**(304,969)**	**203,370**

36. GENERAL INFORMATION OF SUBSIDIARIES

Details of the principal subsidiaries held by the Company directly and indirectly as at 31 March 2022 and 2021 are as follows:

Name of subsidiaries	Paid up issued/ Registered capital		Group's effective interest		Held by the Company		Principal activities and place of operations/ incorporations
	2022 *HK$*	2021 *HK$*	**2022**	2021	**2022**	2021	
Bright Zone Corporation Limited	**1,350,000**	1,350,000	**100%**	100%	**100%**	100%	Sales of grocery products, Hong Kong
Cool Cool F&B Holding Limited	**30,000,000**	30,000,000	**100%**	100%	**100%**	100%	Wholesale of frozen food, Hong Kong
Cool Cool Trading (International) Limited	**1**	1	**100%**	100%	**100%**	100%	Sales of frozen food, Hong Kong
Smart Diner Limited	**500,000**	500,000	**100%**	100%	**100%**	100%	Trading of cash coupons, Hong Kong
Local Food Production Limited	**100**	100	**100%**	100%	**100%**	100%	Sales of processed food, Hong Kong
Yvonne Credit Service Co., Limited	**388,583,043**	388,583,043	**100%**	100%	**100%**	100%	Provision of money lending business, Hong Kong
Rainbow Cosmetic (BVI) Limited	**US$50,000**	US$50,000	**100%**	100%	**100%**	100%	Investment holding, British Virgin Islands
Harvest Perfect Limited	**US$1**	US$1	**100%**	100%	**100%**	100%	Investment holding, British Virgin Islands

Note:

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results for the period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.