



China Rongzhong Financial Holdings Company Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 03963

 **2024/2025**
INTERIM REPORT



COMPANY NAME

China Rongzhong Financial Holdings Company Limited

STOCK CODE

03963

BOARD OF DIRECTORS

Executive Director

Ms. Wong Emilie Hoi Yan

Non-executive Directors

Mr. Lau Hiu Fung

Ms. Wong Jacqueline Yue Yee

Ms. Wong Michelle Yatyee

Mr. Wong Ming Bun David

Independent non-executive Directors

Mr. Lie Chi Wing

Mr. Ng Wing Chung Vincent

(resigned on 30 September 2024)

Mr. Ng Yuk Yeung Paul

AUDIT COMMITTEE

Mr. Lie Chi Wing (Chairman)

Mr. Lau Hiu Fung

Mr. Ng Wing Chung Vincent

(resigned on 30 September 2024)

Mr. Ng Yuk Yeung Paul

Mr. Wong Ming Bun David

NOMINATION COMMITTEE

Mr. Ng Wing Chung Vincent (Chairman)

(resigned on 30 September 2024)

Mr. Lau Hiu Fung

Mr. Lie Chi Wing

Mr. Ng Yuk Yeung Paul

Ms. Wong Michelle Yatyee

REMUNERATION COMMITTEE

Mr. Ng Wing Chung Vincent (Chairman)

(resigned on 30 September 2024)

Mr. Lau Hiu Fung

Mr. Lie Chi Wing

Mr. Ng Yuk Yeung Paul

Ms. Wong Michelle Yatyee

RISK MANAGEMENT COMMITTEE

Ms. Wong Emilie Hoi Yan (Chairman)

Mr. Ng Wing Chung Vincent

(resigned on 30 September 2024)

Ms. Wong Michelle Yatyee

Mr. Wong Ming Bun David

COMPANY SECRETARY

Mr. Cheng King Fai Kenneth

REGISTERED OFFICE

Tricor Services (Cayman Islands) Limited

Third Floor, Century Yard,

Cricket Square, P.O. Box 902,

Grand Cayman, KY1-1103,

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 3901, 39/F

Tower One, Lippo Centre

89 Queensway

Hong Kong

COMPANY WEBSITE

www.chinarzfh.com

AUDITOR

Moore CPA Limited

Certified Public Accountants

LEGAL ADVISER

JTC Solicitors

PRINCIPAL SHARE REGISTRAR

Tricor Services (Cayman Islands) Limited

Third Floor, Century Yard,

Cricket Square, P.O. Box 902,

Grand Cayman, KY1-1103,

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited

17/F, Far East Finance Centre,

16 Harcourt Road,

Hong Kong

PRINCIPAL BANKER

Bank of Communications Co., Ltd. Hong Kong Branch

China Everbright Bank, Hong Kong Branch

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of China Rongzhong Financial Holdings Company Limited (the “**Company**”) hereby presents to the shareholders of the Company (the “**Shareholders**”) the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2024 (the “**Reporting Period**”) with comparative figures as follows.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 September 2024

	Notes	Six months ended 30 September	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4	41,304	49,197
Other income		145	41
Cost of services		(21,514)	(24,790)
Other gains and losses	5	(1,864)	2,072
Staff costs		(13,079)	(13,448)
(Provision of)/reversal of impairment losses and expected credit losses	6	(42)	14
Other operating expenses		(7,241)	(8,362)
Finance costs	7	(1,145)	(3,421)
(Loss)/profit before tax		(3,436)	1,303
Income tax expense	8	(2)	(10)
(Loss)/profit for the period	9	(3,438)	1,293
Other comprehensive income/(expense)			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		1,414	(418)
Total comprehensive (expense)/income for the period		(2,024)	875
(Loss)/profit for the period attributable to:			
Owners of the Company		(4,258)	(1,232)
Non-controlling interests		820	2,525
		(3,438)	1,293
Total comprehensive (expense)/income attributable to:			
Owners of the Company		(2,888)	(1,246)
Non-controlling interests		864	2,121
		(2,024)	875
Loss per share			
Basic and diluted (HK cents)	11	(0.72)	(0.29)

Condensed Consolidated Statement of Financial Position

At 30 September 2024

	Notes	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	64,300	60,790
Deposits		647	202
Goodwill	13	9,134	9,000
		74,081	69,992
Current assets			
Trade receivables	14	7,304	6,546
Prepayments and other receivables		722	1,182
Cash and cash equivalents		7,347	6,972
		15,373	14,700
Current liabilities			
Trade payables	15	406	369
Deposits from customers		6,286	7,934
Other payables and accrued charges		6,641	6,553
Contract liabilities		4,981	5,319
Lease liabilities		2,422	1,603
Tax liabilities		749	830
Bank borrowings	16	1,251	1,285
Amount due to a related company	17	33,412	32,817
Amount due to a shareholder	18	539	381
Derivative financial liabilities	20	3,748	3,378
Convertible bonds	19	2,352	2,160
		62,787	62,629
Net current liabilities		(47,414)	(47,929)
Total assets less current liabilities		26,667	22,063

Condensed Consolidated Statement of Financial Position

At 30 September 2024

	Notes	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Non-current liabilities			
Lease liabilities		3,594	1,020
Bank borrowings	16	162	765
Amount due to a shareholder	18	3,573	–
Contingent consideration payables	21	3,297	2,540
		10,626	4,325
Net assets			
		16,041	17,738
Capital and reserves			
Share capital	22	5,903	5,903
Reserves		9,993	12,554
		15,896	18,457
Non-controlling interests			
		145	(719)
Total equity			
		16,041	17,738

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2024

	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Statutory surplus reserve HK\$'000 (note)	Share option reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000		
At 1 April 2023 (audited)	4,125	552,818	-	29	1,482	(2,798)	(586,945)	(31,289)	6,289	(25,000)
(Loss)/profit for the period	-	-	-	-	-	-	(1,232)	(1,232)	2,525	1,293
Exchange differences on translation from functional currency to presentation currency	-	-	-	-	-	(14)	-	(14)	(404)	(418)
Total comprehensive (expense)/income for the period	-	-	-	-	-	(14)	(1,232)	(1,246)	2,121	875
Recognition of equity-settled share-based payments	-	-	-	-	234	-	-	234	-	234
Conversion of convertible bonds (note 19)	83	3,283	-	-	-	-	-	3,366	-	3,366
At 30 September 2023 (unaudited)	4,208	556,101	-	29	1,716	(2,812)	(588,177)	(28,935)	8,410	(20,525)

	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000	Statutory surplus reserve HK\$'000 (note)	Share option reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000		
At 1 April 2024 (audited)	5,903	628,503	(18,535)	29	1,934	(2,817)	(596,560)	18,457	(719)	17,738
(Loss)/profit for the period	-	-	-	-	-	-	(4,258)	(4,258)	820	(3,438)
Exchange differences on translation from functional currency to presentation currency	-	-	-	-	-	1,370	-	1,370	44	1,414
Total comprehensive income/(expense) for the period	-	-	-	-	-	1,370	(4,258)	(2,888)	864	(2,024)
Recognition of equity-settled share-based payments	-	-	-	-	327	-	-	327	-	327
Lapsed of share-based payments	-	-	-	-	(13)	-	13	-	-	-
At 30 September 2024 (unaudited)	5,903	628,503	(18,535)	29	2,248	(1,447)	(600,805)	15,896	145	16,041

Note:

Pursuant to the articles of association of the subsidiary established in the People's Republic of China (the "PRC"), it is required to appropriate 10% or an amount to be determined by its directors of its profit after taxation in accordance with the relevant accounting rules and financial regulations of the PRC before any distribution of dividends to owners each period to the statutory surplus reserve until the balance reached 50% of its registered capital.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net cash from operating activities	9,633	11,179
INVESTING ACTIVITIES		
Interest received from bank deposits	7	14
Purchases of property, plant and equipment	(15,494)	(11,674)
Proceeds on disposal of property, plant and equipment	5,410	7,859
Net cash used in investing activities	(10,077)	(3,801)
FINANCING ACTIVITIES		
Advances from a related company	9,446	2,045
Repayments to a related company	(10,367)	(10,286)
Advances from a shareholder	3,681	4,333
Interest paid	(33)	(222)
Repayments of bank borrowings	(636)	(614)
Repayments of principal portion of lease liabilities	(1,364)	(1,241)
Repayments of interest element of lease liabilities	(78)	(75)
Net cash from/(used in) financing activities	649	(6,060)
Net increase in cash and cash equivalents	205	1,318
Cash and cash equivalents at 1 April	6,972	14,575
Effect of foreign exchange rate changes	170	(624)
Cash and cash equivalents at 30 September	7,347	15,269

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

1. GENERAL INFORMATION

China Rongzhong Financial Holdings Company Limited (the “**Company**”) is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of its registered office is Tricor Services (Cayman Islands) Limited, Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands and its principal place of business in Hong Kong is Unit 3901, 39/F, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) are provision of lease services in the PRC, due diligence, debt collection and credit investigation services in the PRC, Hong Kong and Singapore.

The trading in the shares of the Company on the Stock Exchange has been suspended with effect from 27 September 2022 and resumed on 13 July 2023.

2. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION

The interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern basis

As at 30 September 2024, the Group had net current liabilities of approximately HK\$47,414,000, whereas its cash and cash equivalents maintained was approximately HK\$7,347,000 only as at the same date. Besides, the Group also had bank borrowings of approximately HK\$1,251,000, amount due to a related company of approximately HK\$33,412,000 and amount due to a shareholder of approximately HK\$539,000, respectively, that were repayable within 12 months after the end of the reporting period.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

2. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION (continued)

Going concern basis (continued)

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity, operating performance of the Group and its available sources of financing, and also have prepared a cash flow forecast covering a period of twelve months from the end of the reporting period. The directors of the Company are of the opinion that the cash flow generated from operating activities and certain appropriate financing activities of the Group will be able to continue meeting the funding needs of operations and repay the outstanding interest bearing borrowings. In order to improve the Group's financial position and liquidity, the directors of the Company have been implementing various measures as follows:

(i) *Obtaining new source of finance to improve working capital requirements*

On 15 March 2024, the Group and a non-controlling substantial shareholder of the Group, entered into a loan agreement (the “**Loan Agreement**”) pursuant to which agreed to make available to the Group an unsecured term loan facility in an aggregate amount of HK\$10,000,000 to grant loans or provide finance lease to customers, at 6% per annum and maturing on 18 months after the end of the availability period. The availability period commenced on the date of the Loan Agreement and will end on the date falling 3 years after the date of the Loan Agreement.

On 1 May 2024, the Company and Goldbond Group Holdings Limited (“**Goldbond**”) entered into a loan agreement (the “**2024 Goldbond Loan Agreement**”) (as detailed in note 18) pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK\$18,000,000 to fund the general working capital of the Company, at 6% per annum and maturing on the third anniversary of the first drawdown date. The availability period commenced on the date of the 2024 Goldbond Loan Agreement and will end on the earlier of three years after the date of the 2024 Goldbond Loan Agreement or the date on which the facility is fully drawn, cancelled or terminated.

The Group also renewed loan facility from a related company (as detailed in note 17), with an aggregate facilities amount of RMB40,000,000, and its maturity will be on 2 July 2025.

On 10 October 2024, the Group entered into a supplementary agreement with a related company (as detailed in note 17), with an aggregate facility amount of RMB20,000,000 and its maturity will be on 21 October 2025.

As at 30 September 2024, the total facility amount of HK\$59,712,000 was stand-by and un-utilised.

As at the date of issuance of the interim condensed consolidated financial statements, the total facility amount of HK\$59,212,000 was stand-by and un-utilised. In addition, the directors of the Company are also negotiating to obtain new facilities with other financing sources.

(ii) *Implementation of active cost-saving measures*

The Group continues to take active measures to control administrative costs through various channels to improve operating cash flows and its financial position.

Based on the above plans, measures and a cash flow forecast covering a period of twelve months from the end of the reporting period, the directors of the Company are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least the next twelve months from the end of the reporting period and, accordingly, the directors of the Company are satisfied that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than additional/change in accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended 30 September 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 March 2024.

The interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2024.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 April 2024 for the preparation of the Group’s interim condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION

The directors of the Company determined the reportable segments of the Group as follows:

- (1) Providing leasing services including:
 - direct leasing – sale and leaseback and direct finance leasing services in the PRC
 - operating lease – providing operating lease of motor vehicles services in the PRC
- (2) Debt collection and credit investigation services – providing debt collection services and credit investigation services in Hong Kong, the PRC and Singapore

(a) Segment revenue and results

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

For the six months ended 30 September 2024 (unaudited)

	Leasing services HK\$'000	Debt collection and credit investigation services HK\$'000	Total HK\$'000
Segment revenue			
Revenue from external customers	20,516	20,788	41,304
Segment results excluding provision of expected credit losses recognised on trade receivables	949	1,508	2,457
(Provision of)/reversal of expected credit losses recognised on trade receivables	(66)	167	101
Segment results	883	1,675	2,558
Unallocated:			
Other gains and losses			(1,852)
Staff costs			(1,877)
Other operating expenses			(2,023)
Finance costs			(242)
Loss before tax			(3,436)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION (continued)

(a) Segment revenue and results (continued)

For the six months ended 30 September 2023 (unaudited)

	Leasing services HK\$'000	Debt collection and credit investigation services HK\$'000	Total HK\$'000
Segment revenue			
Revenue from external customers	24,045	25,152	49,197
Segment results excluding provision of expected credit losses recognised on lease receivables and receivables arising from sale and leaseback arrangements and trade receivables	1,172	4,577	5,749
Reversal of/(provision of) expected credit losses recognised on lease receivables and receivables arising from sale and leaseback arrangements and trade receivables	397	(383)	14
Segment results	1,569	4,194	5,763
Unallocated:			
Other gains and losses			2,084
Staff costs			(1,728)
Other operating expenses			(2,446)
Finance costs			(2,370)
Profit before tax			1,303

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION (continued)

(b) Segment assets and liabilities

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

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Segment assets		
Leasing services	68,879	67,830
Debt collection and credit investigation services	20,414	16,168
Total segment assets	89,293	83,998
Unallocated assets	161	694
Total assets	89,454	84,692
Segment liabilities		
Leasing services	41,362	41,824
Debt collection and credit investigation services	17,138	14,657
Total segment liabilities	58,500	56,481
Unallocated liabilities	14,913	10,473
Total liabilities	73,413	66,954

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

4. REVENUE AND SEGMENT INFORMATION (continued)

(c) Revenue from major services

The following is an analysis of the Group's revenue from its major services:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Income from debt collection services	10,321	16,300
Income from credit investigation services	10,467	8,852
Income from sales of motor vehicles	7,003	9,877
Revenue from contracts with customers	27,791	35,029
Rental income	13,513	14,001
Interest income arising from sale and leaseback arrangements	–	167
	41,304	49,197
Revenue from contracts with customers		
At a point in time	27,659	34,916
Transferred over time	132	113
	27,791	35,029

5. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Foreign exchange loss, net	(737)	(747)
Fair value (loss)/gain on derivative financial liabilities (note 20)	(370)	2,758
Fair value (loss)/gain on contingent consideration payables (note 21)	(757)	61
	(1,864)	2,072

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

6. PROVISION OF/(REVERSAL OF) IMPAIRMENT LOSSES AND EXPECTED CREDIT LOSSES

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
(Reversal of)/provision for expected credit losses recognised on:		
– trade receivables (note 14)	(101)	441
– lease receivables and receivables arising from sale and leaseback arrangements	–	(455)
Impairment losses recognised on:		
– property, plant and equipment	143	–
	42	(14)

7. FINANCE COSTS

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Interest on amount due to a related company	791	918
Interest on amount due to a shareholder	50	690
Interest on lease liabilities	78	75
Interest on bank borrowings of Alpha & Leader Risks and Assets Management Company Limited and its subsidiaries (collectively referred to as the “Alpha & Leader Group”)	33	53
Interest on amount due to the non-controlling substantial shareholder of the Alpha & Leader Group	1	5
Imputed interest on loan note	–	1,347
Imputed interest on convertible bonds (note 19)	192	333
	1,145	3,421

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

8. INCOME TAX EXPENSE

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Enterprise Income Tax in the PRC		
Current tax	2	10
Income tax expense	2	10

No provision for Hong Kong Profits Tax has been made in the interim condensed consolidated financial statements as the Group's operation in Hong Kong had no assessable profits during the six months ended 30 September 2024 and 2023.

Pursuant to the approval of the tax bureau, in accordance with the Enterprise Income Tax Law of PRC (the "EIT Law") and the Implementation Regulation of the EIT Law, one (six months ended 30 September 2023: one) subsidiary is subject to the tax rate of 20% on 25% (six months ended 30 September 2023: 20% on 25%) of assessable profits, which assessable profits under RMB3,000,000 (six months ended 30 September 2023: RMB3,000,000), for Small Low-Profit Enterprises. Other subsidiaries located in the PRC are subject to the PRC Enterprise Income Tax at a rate of 25% (six months ended 30 September 2023: 25%) on their assessable profits.

No provision for Singapore Corporate Tax has been made in the interim condensed consolidated financial statements as the Group's operation in Singapore had no assessable profits during the six months ended 30 September 2024 and 2023.

9. (LOSS)/PROFIT FOR THE PERIOD

(Loss)/profit for the period has been arrived at after charging:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Directors' remuneration	1,072	1,146
Other staff costs		
– Salaries, allowances and other staff benefits	11,375	11,750
– Staff's retirement benefit scheme contributions	432	537
– Staff's equity-settled share-based payments	200	15
Total staff costs	13,079	13,448
Depreciation of motor vehicles for rent (included in cost of services)	5,308	4,578
Depreciation of other property, plant and equipment (included in other operating expenses)	1,362	1,392
Depreciation of property, plant and equipment	6,670	5,970
Loss on disposal of property, plant and equipment	4,191	4,404
Short-term lease expenses	744	718

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

10. DIVIDENDS

No dividends were paid, declared or proposed for ordinary shareholders of the Company during the six months ended 30 September 2024, nor has any dividend been proposed since the end of the reporting period (six months ended 30 September 2023: nil).

11. LOSS PER SHARE

	Six months ended 30 September	
	2024 (Unaudited)	2023 (Unaudited)
Loss:		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share (HK\$'000)	(4,258)	(1,232)
Number of shares:		
Weighted average number of ordinary shares in issue for the purpose of basic and diluted loss per share (in thousands)	590,303	420,759

The basic and diluted loss per share is calculated based on the loss attributable to owners of the Company and the weighted average number of ordinary shares in issue for the six months ended 30 September 2024 and 2023.

The computation of diluted loss per share does not assume the exercise of the Company's share options because the exercise price of those share options was higher than the average market price of shares for the six months ended 30 September 2024 and 2023.

The computation of diluted loss per share for the six months ended 30 September 2024 and 2023 does not assume the conversion of the Company's outstanding convertible bonds since the assumed conversion would result in a decrease in loss per share.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired property, plant and equipment with a cost of approximately HK\$15,494,000 (six months ended 30 September 2023: HK\$11,674,000) and disposed of property, plant and equipment with an aggregate carrying amount of approximately HK\$11,194,000 (six months ended 30 September 2023: HK\$14,281,000).

During the six months ended 30 September 2024, additions to right-of-use assets were approximately HK\$4,879,000 (six months ended 30 September 2023: HK\$1,021,000).

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

13. IMPAIRMENT TESTING ON GOODWILL

For the purposes of impairment testing, goodwill has been allocated to two individual cash-generating units, comprising one sub-group of subsidiaries in the debt collection and credit investigation services segment and one sub-group of subsidiaries in the leasing services segment.

During the six months ended 30 September 2024, management of the Group determines that there is no impairment on goodwill arising from the two individual cash-generating units.

14. TRADE RECEIVABLES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Trade receivables arising from debt collection and credit investigation services	7,107	6,448
Less: allowance for credit losses	(409)	(572)
Net trade receivables arising from debt collection and credit investigation services	6,698	5,876
Trade receivables arising from leasing services	1,017	1,006
Less: allowance for credit losses	(411)	(336)
Net trade receivables arising from leasing services	606	670
Total trade receivables, net of allowance for expected credit losses	7,304	6,546

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates.

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0 to 30 days	4,816	3,572
31 to 60 days	1,209	395
61 to 90 days	762	2,028
Over 90 days	517	551
	7,304	6,546

The credit terms of the trade receivables for debt collection and credit investigation services are ranged from 0 to 60 days from the date of billing.

The Group normally grants credit terms to its customers according to industry practice together with consideration of their creditability and repayment history. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management.

For leasing services, the customers are obliged to settle the amounts according to the terms set out in relevant contracts and, normally, no credit period was granted to customers.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

14. TRADE RECEIVABLES (continued)

As at 30 September 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$1,782,000 (31 March 2024: HK\$3,176,000) which are past due as at the reporting date. Out of the past due balances, HK\$517,000 (31 March 2024: HK\$551,000) has been past due 90 days or more and is not considered as in default.

Movement of the provision for impairment losses on trade receivables is as follows:

	HK\$'000
At 1 April 2024 (audited)	908
Reversal of impairment losses recognised	(101)
Exchange realignment	13
At 30 September 2024 (unaudited)	820

15. TRADE PAYABLES

The following is an aged analysis of trade payable presented based on the invoice dates.

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
0 to 30 days	222	107
31 to 60 days	35	24
61 to 90 days	56	108
Over 90 days	93	130
	406	369

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

16. BANK BORROWINGS

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Unsecured variable-rate borrowings	1,413	2,050
The carrying amounts of the above borrowings are repayable*:		
Within one year	1,251	1,285
Within a period of more than one year but not exceeding two years	162	765
	1,413	2,050
Less: amounts shown under current liabilities	(1,251)	(1,285)
Amounts shown under non-current liabilities	162	765

* The amounts due are based on scheduled repayment dates set out in the loan agreements.

As at 30 September 2024, the Group's bank borrowings only represented the borrowings from the Alpha & Leader Group with carrying amount of approximately HK\$1,413,000 (31 March 2024: HK\$2,050,000) which were guaranteed by the non-controlling substantial shareholders of Alpha & Leader Group.

As at 30 September 2024, the Group's variable-rate borrowings carry interest at the rate of 3.63% (31 March 2024: 3.63%) per annum.

The Group's bank borrowings are denominated in HK\$ which are the functional currency of the relevant group entity.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

17. AMOUNT DUE TO A RELATED COMPANY

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Shanghai Nanlang Automobile Technology Co., Ltd.* (上海南朗汽車科技有限公司) (formerly known as Shanghai Nanlang Finance Lease Co., Ltd.* (上海南朗融資租賃有限公司)) (“Shanghai Nanlang”) (note I)	33,412	32,817
The carrying amount of the above borrowing is repayable (note II): Within one year	30,666	28,347
	30,666	28,347
The carrying amount of the above borrowing that contains a repayment on demand clause but repayable: Within one year	2,746	4,470
	33,412	32,817
Less: amounts due within one year shown under current liabilities	(33,412)	(32,817)
Amounts shown under non-current liabilities	–	–

* For identification purpose only

Notes:

- I. Shanghai Nanlang is an indirect non-wholly-owned subsidiary of Goldbond, the controlling shareholder of the Company. During the six months ended 30 September 2024 and the year ended 31 March 2024, Goldbond has significant influence over the Company. During the period from 1 April 2023 to 18 January 2024, Goldbond has significant influence over Ultimate Harvest Global Limited (“UMH”) and its subsidiaries (collectively referred to as the “UMH Group”). Therefore, Shanghai Nanlang is considered as a related company of the Company.
- II. The amounts due are based on scheduled repayment dates set out in the loan agreements.

The loan facilities offered by Shanghai Nanlang are as follows:

- (i) loan facilities of a maximum amount of RMB40,000,000, carried interest at 5.0% (31 March 2024: 5.0%) per annum and repayable on the third anniversary from the first date of loan drawdown, and the maturity date is 1 July 2024. On 18 June 2024, the Group entered into a supplementary agreement with Shanghai Nanlang and extended the maturity date of the loan facilities to 2 July 2025, in which:
 - (a) the principal amounts of RMB26,228,000 (equivalent to approximately HK\$29,142,000) (31 March 2024: RMB25,086,000 (equivalent to approximately HK\$27,267,000)) were utilised; and
 - (b) the principal amounts of RMB13,772,000 (equivalent to approximately HK\$15,302,000) (31 March 2024: RMB14,914,000 (equivalent to approximately HK\$16,211,000)) are un-utilised and available as at 30 September 2024.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

17. AMOUNT DUE TO A RELATED COMPANY (continued)

- (ii) loan facilities of a maximum amount of HK\$20,000,000 (31 March 2024: RMB20,000,000) offered by Shanghai Nanlang, carried interest at 6.0% (31 March 2024: 6.0%) per annum and repayable on the third anniversary from the first date of loan drawdown (i.e. the maturity date being 20 October 2024), in which the principal amounts of approximately RMB2,016,000 (equivalent to approximately HK\$2,240,000) (31 March 2024: RMB3,666,000 (equivalent to approximately HK\$3,985,000)) were utilised as at 30 September 2024. The amounts due to Shanghai Nanlang are unsecured and repayable on demand.

On 10 October 2024, the Group entered into a supplementary agreement with Shanghai Nanlang and extended the maturity date of the loan facilities to 21 October 2025.

The corresponding interest expenses were recognised as “finance costs” in profit or loss for the six months ended 30 September 2024 and the year ended 31 March 2024 (note 7). The amount due to a related company is denominated in RMB which is the functional currency of the relevant group entities.

The subsidiaries of the Group have obtained a letter from Shanghai Nanlang that Shanghai Nanlang will not demand the subsidiaries of the Group to repay the any outstanding amounts with the next twelve months from 30 September 2024 and from date of issuance of the interim condensed consolidated financial statements.

18. AMOUNT DUE TO A SHAREHOLDER

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Goldbond	4,112	381
The carrying amount of the above borrowing that contains a repayment on demand clause but repayable:		
Within one year	539	381
Within a period of more than one year but not exceeding two years	3,573	–
	4,112	381
Less: amounts due within one year shown under current liabilities	(539)	(381)
Amounts shown under non-current liabilities	3,573	–

Balances were due to Goldbond, a controlling shareholder of the Company.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

18. AMOUNT DUE TO A SHAREHOLDER (continued)

On 1 May 2024, the Company and Goldbond entered into a loan agreement pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK\$18,000,000 to fund the general working capital of the Company, at 6% per annum and maturing on the third anniversary of the first drawdown date. The availability period commenced on the date of the 2024 Goldbond Loan Agreement and will end on the earlier of three years after the date of the 2024 Goldbond Loan Agreement or the date on which the facility is fully drawn, cancelled or terminated.

The balance as at 31 March 2024 was unsecured and repayable on demand.

19. CONVERTIBLE BONDS

The Company issued three-year, interest-free, redeemable convertible bonds (the “**Convertible Bonds**”) at an aggregate principal amount of HK\$3,811,500 on 4 March 2022. The Convertible Bonds are denominated in HK\$ and are unsecured. The maturity date (the “**Maturity Date I**”) is the date falling immediately before the third anniversary of the date of issue of the Convertible Bonds, i.e. 3 March 2025. The Convertible Bonds entitle the holders to convert them into ordinary shares of the Company at any time commencing from the seventh day after the date of issue of the Convertible Bonds to the seventh day (inclusive) before the Maturity Date I at a conversion price of HK\$0.154 per convertible bond, subject to restrictions and adjustments in accordance with the terms and conditions of the Convertible Bonds. Unless already converted or redeemed in accordance with the conditions and terms of the Convertible Bonds, the Company shall redeem the outstanding principal amount at the redemption price (being 100% of the then outstanding principal amount) at Maturity Date I.

The conversion options are not settled by exchange of a fixed amount of cash or another asset for a fixed number of the Company’s own shares. Hence, the Convertible Bonds contain two components, debt component and derivative (including conversion options) component. As at 30 September 2024, the effective interest rate of the debt component is 19.8% (31 March 2024: 19.8%) per annum. The derivative component is measured at fair value with changes in fair value recognised in profit or loss.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

19. CONVERTIBLE BONDS (continued)

The movement of the debt and derivative components of the Convertible Bonds is set out as below:

	Debt component HK\$'000	Derivative component HK\$'000
At 1 April 2024 (audited)	2,160	3,378
Imputed interest charged (note 7)	192	–
Loss arising on changes of fair value	–	370
At 30 September 2024 (unaudited)	2,352	3,748

The binomial option pricing model is used for valuation of the derivative component. The key inputs used in the model are disclosed in note 24.

The Convertible Bonds were issued to Goldbond, the controlling shareholder of the Company, to settle part of the consideration for the acquisition of the UMH Group.

20. DERIVATIVE FINANCIAL LIABILITIES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Derivative financial liabilities:		
Conversion options of the Convertible Bonds arising from the acquisition of the UMH Group (note 19 and note (i))	3,748	3,378
Analysed for reporting purposes as:		
Current liabilities	3,748	3,378

Note:

- (i) The conversion options of the Convertible Bonds were issued to Goldbond, a substantial shareholder with significant influence of the Company. The derivative financial liability was stated at fair value based on the valuation performed by an independent firm of professional valuer. At the inception date, the fair value of the derivative financial liability was assessed as HK\$874,000. As at 30 September 2024, the fair value of the derivative financial liability was increased by HK\$370,000 (31 March 2024: increased by HK\$4,467,000) and the loss (year ended 31 March 2024: loss) was recognised in profit or loss for the six months ended 30 September 2024 (note 5).

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

21. CONTINGENT CONSIDERATION PAYABLES

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Promissory notes to be issued (note (a))	3,297	2,540
Cash consideration payable (note (b))	–	–
	3,297	2,540

Notes:

- (a) The amount represented the fair value of three tranches of promissory notes to be issued to Solomon Glory, a wholly owned subsidiary of Goldbond, a substantial shareholder with significant influence of the Company, as compensation for Solomon Glory to transfer certain existing shares of the Company held by it in the maximum amount of 38,503,380 shares to the vendors for the acquisition of 51% equity interest in the Alpha & Leader Group.

The promissory notes to be issued will be unsecured and non-interest bearing. The promissory notes to be issued are expected to be settled in February 2026 and November 2026, being 13 months from the respective issue dates in settlement of the relevant transfer of existing shares of the Company by tranches by Solomon Glory to the vendors.

- (b) Cash consideration in the maximum amount of HK\$3,831,256 will be settled by the Company in March 2024 in respect of the acquisition of 51% equity interest in the Alpha & Leader Group.

The promissory notes to be issued and cash consideration payable are subject to the consideration adjustment with reference to the financial performance of the Alpha & Leader Group for the years ended 31 December 2021 and 2022 and the year ended 31 December 2023 and hence constitute a contingent consideration arrangement. Details are set out in the Company's circular dated 30 June 2021.

The transfer shares held by Solomon Glory and deferred cash consideration to be transferred to the vendors are subject to the profit guarantee given by the vendors as specified and under the heading of "Adjustment to Consideration subject to the profit guarantee" in the Company's circular dated 30 June 2021.

The contingent consideration payables were stated at fair value based on the valuation performed by an independent firm of professional valuer. At the inception date, the fair value of the contingent consideration payables was assessed as HK\$6,081,000. As at 30 September 2024, the fair value of the contingent consideration payables was increased by HK\$757,000 (31 March 2024: increased by HK\$72,000) and the loss (31 March 2024: Loss) was recognised in the profit or loss for the six months ended 30 September 2024 (note 5).

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

22. SHARE CAPITAL OF THE COMPANY

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 April 2023 (audited), 30 September 2023 (unaudited), 31 March 2024 (audited), 1 April 2024 (audited) and 30 September 2024 (unaudited)	10,000,000,000	100,000
Issued:		
At 1 April 2023 (audited)	412,509,000	4,125
Issues of shares upon:		
– conversion of Convertible Bonds on 17 August 2023 (note (i))	8,250,000	83
– capitalisation of amount due to a shareholder and loan note on 18 January 2024 (note (ii))	123,490,939	1,235
– the UMH 49% Acquisition on 18 January 2024 (note (iii))	46,052,632	460
Subtotal of issues of shares	177,793,571	1,778
At 31 March 2024 (audited) and 30 September 2024 (unaudited)	590,302,571	5,903

All the shares issued during both periods ranked pari passu in all respects with the then existing shares in issue.

Notes:

- (i) On 17 August 2023, Goldbond converted the Convertible Bonds of principal amount of HK\$1,270,500 at a conversion price of HK\$0.154 per conversion share and Goldbond was allotted and issued 8,250,000 shares of the Company.

An aggregate amount of debt component of the Convertible Bonds of HK\$992,000 and derivative component of the Convertible Bonds HK\$2,374,000 was settled upon conversion.

- (ii) On 30 October 2023, Goldbond and the Company entered into the Subscription Agreement (the “**Subscription Agreement**”), pursuant to which Goldbond conditionally agreed to subscribe for, and the Company conditionally agreed to issue and allot the subscription shares (the “**Subscription Shares**”) at the subscription price of HK\$0.38, in which the aggregate consideration payable by Goldbond will be satisfied by way of setting off against the amount due to Goldbond and the loan note (the “**Loan Capitalisation Amount**”). On 18 January 2024, the Company has completed the subscription and Goldbond was allotted and issued 123,490,939 shares of the Company to set off against the total outstanding principal amount and all accrued and unpaid interests of the loan note of HK\$14,324,000 and amount due to a shareholder of HK\$32,602,000 up to 18 January 2024 representing an aggregate amount of HK\$46,926,000. Details can be referred to (i) the announcement dated 30 October 2023; (ii) the circular dated 15 December 2023; and (iii) the announcement dated 18 January 2024 issued by the Company.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

22. SHARE CAPITAL OF THE COMPANY (continued)

Notes: (continued)

- (iii) On 18 January 2024, the Company has completed the acquisition of the additional 49% equity interest in the UMH Group from Goldbond, at the consideration to be satisfied by the issue and allotment of a total of 46,052,632 new shares to Goldbond. Upon completion of the acquisition, the UMH Group became wholly-owned subsidiaries of the Company and the acquisition was accounted for as an equity transaction with non-controlling interest.

Therefore, such a change have no impact on goodwill, nor will it give rise to any gain or loss and the difference of HK\$18,535,000 debited to other reserve, being the difference between the fair value of the consideration paid on 18 January 2024 (represented by share capital of HK\$460,000 and share premium of HK\$26,711,000 of 46,052,632 shares issued and allotted at the par value of HK\$0.01 each), and the carrying amount of non-controlling interest at the date of acquisition of approximately HK\$8,636,000, debited to equity of the Group.

23. RELATED PARTY DISCLOSURE

(i) Related party transactions

Other than as disclosed elsewhere in the interim condensed consolidated financial statements, the Group had the following material transactions with related parties during both periods.

Name of related party	Relationship	Nature of transaction	Six months ended 30 September	
			2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Goldbond	Controlling shareholder	Rental and other expenses	666	572

Compensation of key management personnel

During the reporting period, the remunerations of key management personnel which represent the executive director of the Company and senior management were as follows:

	Six months ended 30 September	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Salaries and other allowances	1,884	1,884
Retirement benefit scheme contributions	28	30
Equity-settled share-based payments	71	25
	1,983	1,939

The remuneration of directors of the Company is determined having regard to the performance of individuals and market trends.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

23. RELATED PARTY DISCLOSURE (continued)

(ii) Related party balances

Other than as disclosed elsewhere in the interim condensed consolidated financial statements, the Group has following balances with related parties:

	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)
Amounts due to the non-controlling substantial shareholders of the Alpha & Leader Group (included in other payables)	1,903	1,456

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

In estimating the fair value, the Group uses market-observable data to the extent it is available. For instruments with significant unobservable inputs under Level 3, the Group engages an external qualified professional valuer not connected to the Group to perform the valuation. Management of the Group works closely with the external qualified valuer to establish the appropriate valuation techniques and inputs to the model.

The fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are based on quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of the financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

- (i) Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis (continued)

Fair value hierarchy

	30 September 2024 Level 3 HK\$'000 (Unaudited)	31 March 2024 Level 3 HK\$'000 (Audited)
Derivative financial liabilities (note 20)	3,748	3,378
Contingent consideration payables (note 21)	3,297	2,540

Financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)
	30 September 2024 HK\$'000 (Unaudited)	31 March 2024 HK\$'000 (Audited)			
Derivative component in relation to the Convertible Bonds	3,748	3,378	Level 3	Binomial option pricing model. The fair value is estimated based on the risk free rate, discount rate, share price, volatility of the share price of the Company, dividend yield and exercise price.	Expected volatility of the share price of 40.4% (31 March 2024: 35.7%) determined by taking reference to historical share prices of the Company (note a).
Contingent consideration payables	3,297	2,540	Level 3	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow out of the Group arising from the contingent consideration, based on an appropriate discount rate.	Discount rate of 16.97% and 17.20% (31 March 2024: 16.65%) (note b).

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

(i) Fair value of the Group's financial liabilities that are measured at fair value on a recurring basis (continued)

Fair value hierarchy (continued)

Notes:

- (a) A slight increase in the expected volatility used in isolation would result in a slight increase in the fair value measurement of the derivative component in relation to the Convertible Bonds, and vice versa. As a result of the volatile financial market in 2024, management of the Group adjusted the sensitivity rate from 500 basis points higher/lower (31 March 2024: 500 basis points higher/lower) for the purpose of performing the sensitivity analysis. A 500 basis points (31 March 2024: 500 basis points) increase in the expected volatility holding all other variables constant would increase the carrying amount of the derivative component in relation to the Convertible Bonds by nil (31 March 2024: increase by HK\$1,000).
- (b) A slight increase in the discount rate used in isolation would result in a slight increase in the fair value measurement of the contingent consideration payables, and vice versa. As a result of the volatile financial market in 2024, management of the Group adjusted the sensitivity rate from 50 basis points higher/lower (31 March 2024: 50 basis points higher/lower) for the purpose of performing the sensitivity analysis. A 50 basis points increase in the discount rate (31 March 2024: 50 basis points higher/lower) holding all other variables constant would increase the carrying amount of the contingent consideration payables by HK\$22,000 (31 March 2024: nil).

There were no transfers between the different levels of the fair value hierarchy during both periods.

(ii) Reconciliation of Level 3 fair value measurements

	Derivative component in relation to the Convertible Bonds HK\$'000	Contingent consideration payables HK\$'000	Total HK\$'000
At 1 April 2024 (audited)	3,378	2,540	5,918
Total loss: – in profit or loss	370	757	1,127
At 30 September 2024 (unaudited)	3,748	3,297	7,045

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

24. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

(iii) Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

As at 30 September 2024, the fair value of the debt component of Convertible Bonds is determined assuming redemption on maturity and using an interest rate of 19.8% (31 March 2024: 19.8%) per annum based on the prevailing market risk free rate, credit spread and liquidity risk premium.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the interim condensed consolidated financial statements approximate their fair values due to short maturity.

BUSINESS OVERVIEW

During the Reporting Period, the Group continued the implementation of its business strategies to (i) enhance synergies across multiple platforms within our ecosystem in order to further develop the Group's leasing business; (ii) diversify the Group's business risks through the granting of loans in smaller loan size with more liquid lease assets; and (iii) diversify geographical risk through the expansion of its operating locations; which in turn will provide sustainable sources of revenue to the Group while diversifying the Group's business risks, enhancing its financial performance and creating value for the shareholders of the Company (the "**Shareholders**").

The Group is principally engaged in the provision of (1) leasing services in the People's Republic of China (the "**PRC**") and (2) value-added services including due diligence, credit assessment, investigation and debt collection services in Hong Kong, the PRC and Singapore.

Leasing services

The Group conducts its leasing services in various cities across the PRC covering cities of Huzhou, Jiaxing, Ningbo, Shaoxing, Shenzhen, Taizhou, Wenzhou, Jinhua and Hangzhou. The Group as the lessor generates lease income by delivery of leased assets to its lessees who make periodic lease payments to the Group.

Credit investigation and debt collection services

To further strengthen the Group's leasing operations, we have complemented our leasing operations with value-added services including due diligence, credit assessment, investigation and debt recovery services. Often, business and credit risks are caused by asymmetry and discrepancies of information, hence, credit investigation and debt recovery would serve as the front end and back end in any business transactions. Leveraging on the Group's expertise in credit assessment and investigation, the Group has access to the latest information such as credit status, financial information and social credit ratings of potential leasing customers. Due diligence and credit investigation services are performed through established networks, databases and credit assessment system using big data analytics which in-turn generate and provide credit reports, scoring results and recommendations to clients as well as the Group prior to entering into any potential business transactions. These information are used to assist the process of customer selection, as well as the selection of transaction models and determining transaction conditions.

Debt collection services are provided for past due commercial accounts receivables ranging from 3 to 12 months, this is a non-litigation service that enables creditors to recover past due accounts receivables through mediation and dispute resolution, rather than going through the lengthy process of litigation resulting in further commitments on legal costs and risk of additional non-recoverable debts. Credit assessment, investigation and debt collection services are both part of an integral value-added service enabling the Group to further develop our leasing business.

FINANCIAL REVIEW

The following discussion and analysis pertain to the financial information of the Group.

Revenue

During the Reporting Period, the Group recorded revenue of approximately HK\$41.3 million, representing a decrease of approximately 16.0% from approximately HK\$49.2 million recorded in the previous corresponding period ended 30 September 2023. The decrease in revenue was mainly due to the decrease in the Group's income from debt collection services which in turn was due to the slowdown in the domestic economy in the People's Republic of China which in turn was reflected in the deteriorated repayment abilities of debtors, reduced repayment amounts and lengthened repayment cycles which lowered debt collection services income from successful recovered cases. To complement the development of the Group's leasing service, the Group provides value-added services including due diligence, credit assessment, investigation and debt recovery services, so as to further strengthen the Group's leasing operations by creating an ecosystem which in turn contributed approximately HK\$20.8 million to the Group's revenue during the Reporting Period. Services fees for due diligence and credit investigation services are charged based on the agreed upon scope covering the number of search targets, search period and the complexity of obtaining the relevant search information. Debt collection services are provided to clients with past due commercial accounts receivables. Substantially all revenue derived from the provision of debt collection services are recognized upon successful recovery of past due receivables.

Management Discussion and Analysis

Staff costs

Staff costs of the Group amounted to approximately HK\$13.1 million for the Reporting Period, representing a decrease of approximately 2.7% from approximately HK\$13.4 million recorded in the previous corresponding period ended 30 September 2023. This was mainly due to decrease in the number of staff in the Group.

Other operating expenses

During the Reporting Period, other operating expenses of the Group amounted to approximately HK\$7.2 million, representing a decrease of approximately 13.4% from approximately HK\$8.4 million recorded in the previous corresponding period ended 30 September 2023. This was mainly due to the decrease in other operating expenses resulting from implementation of active cost-saving measures.

(Provision of)/reversal of impairment losses and expected credit losses

Provision of impairment losses and expected credit losses are approximately HK\$42,000 for the Reporting Period. This was mainly due to increase in impairment losses recognised on property, plant and equipment. In the previous corresponding period ended 30 September 2023, reversal of impairment losses and expected credit losses amounted to approximately HK\$14,000.

Other income

Other income of the Group mainly comprised of bank interest income and government subsidies. During the Reporting Period, the other income of the Group amounted to approximately HK\$145,000, representing an increase of approximately 253.7% from approximately HK\$41,000 recorded in the previous corresponding period ended 30 September 2023. Such increase was mainly due to the increase in government subsidies in current period.

Finance costs

Finance costs of the Group comprised of interest on bank borrowings, interest on amount due to the non-controlling substantial shareholder of the Alpha & Leader Group, imputed interest on convertible bonds, imputed interest on loan note, interest on lease liabilities, interest on amount due to a related company and interest on amount due to a shareholder. During the Reporting Period, finance costs of the Group amounted to approximately HK\$1.1 million, representing a decrease of approximately 66.5% from approximately HK\$3.4 million in the previous corresponding period ended 30 September 2023. This was mainly due to the decrease in the Group's borrowings and financing activities.

As at 30 September 2024, the outstanding bank borrowings guaranteed by related parties amounted to nil (30 September 2023: nil) and the guarantee fee paid to the related parties during the Reporting Period amounted to nil (six months ended 30 September 2023: nil).

Loss for the period

Loss for the period of the Company amounted to approximately HK\$3.4 million for the Reporting Period. This was mainly due to the decrease in revenue in the Reporting Period. In the previous corresponding period ended 30 September 2023, profit for the period amounted to approximately HK\$1.3 million.

Interim dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2024 (six months ended 30 September 2023: nil).

Liquidity, financial resources and capital resources

As at 30 September 2024, the aggregate sum of the Group's cash and cash equivalents amounted to approximately HK\$7.3 million (31 March 2024: approximately HK\$7.0 million), representing an increase of approximately HK\$0.3 million compared to 31 March 2024. This was due to a combination of multiple effects including the Group's conservative strategy to promote business, collection of past due financial assets and use of internal funding. The working capital deficiency (current assets less current liabilities) of the Group was approximately HK\$47.4 million as at 30 September 2024 (31 March 2024: working capital deficiency approximately HK\$47.9 million). The total equity of the Group was approximately HK\$16.0 million as at 30 September 2024 (31 March 2024: approximately HK\$17.7 million).

As at 30 September 2024, the Group's bank borrowings with maturity within one year amounted to approximately HK\$1.3 million (31 March 2024: approximately HK\$1.3 million) and the Group's bank borrowings with maturity that exceeded one year amounted to approximately HK\$0.2 million (31 March 2024: approximately HK\$0.8 million). For particulars of bank borrowings of the Group as at 30 September 2024, please refer to note 16 to the interim condensed consolidated financial statements.

Our gearing ratio (total debt/total equity) as at 30 September 2024 was approximately 257% (31 March 2024: approximately 211%).

Charges on group assets

As at 30 September 2024, the Group did not have any mortgages, charges and pledges over the Group's assets (31 March 2024: nil)

Capital commitments

As at 30 September 2024, the Group had no capital commitments (31 March 2024: nil).

Employees and remuneration policy

As at 30 September 2024, the Group had 127 staff located in Hong Kong, the PRC and Singapore, and their remuneration is determined based on the employees' performance, experience and prevailing industry practices. The Group also offers other benefits such as medical insurance, retirement schemes and training subsidies to our employees. In addition, the Group has set up a share option scheme for the purpose of providing incentives to the eligible employees.

Management Discussion and Analysis

In Hong Kong, we participate in a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) established under the Mandatory Provident Fund Schemes Ordinance (Cap 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group and administered by an independent trustee. Under the MPF Scheme, the Group and its employees are each required to make a contribution to the MPF Scheme at 5% of the employees’ relevant monthly income subject to a cap, which is currently set at HK\$1,500.

PRC employees are covered by the mandatory social security schemes operated by the PRC government. The Group is required by the PRC laws to contribute a certain percentage of payroll costs to the retirement benefits scheme to fund the benefits. There were no forfeited contributions utilized to offset employers’ contributions for the Reporting Period.

Singapore employees are covered by the mandatory social security savings scheme funded by contributions from employers and employees, the Central Provident Fund. The Group and its employees are each required to contribute a certain percentage of payroll costs to fund the mandatory social security savings schemes. There were no forfeited contributions utilized to offset employers’ contributions for the Reporting Period.

RISK FACTORS AND MANAGEMENT

Credit risk of small medium enterprises (“SMEs”) in the PRC

Our business is positioned to fulfill the financing needs of SMEs and individuals, the sustainability of our business and future growth depend on our ability to manage our credit risk effectively. The Group is committed to mitigate its risk exposures and diversification of business risks through liquid and smaller loan size. As such, any deterioration in our asset quality or collectability of our receivables could adversely affect our business, prospects and financial conditions. Due to the continuation of slowing economic pressure arose from external environment uncertainties and business disruption due to the effects of the novel coronavirus, the recovery of economic environment being less than ideal, it is inevitable for some corporations to be faced with a greater risk of default, especially the SMEs. As most SMEs customers in general have less financial resources in terms of capital or fund raising capability when compared to larger corporations, and as such they are more likely to be adversely affected by changes in market conditions, which poses an increasing risk of default to our Group. Our management has been monitoring the changes of our customers’ credit risk, and we had, in fact, in some cases requested additional collaterals and pledged assets from customers as a form of additional precautionary measures. We will continue to closely monitor the value of the related leased assets and the collaterals securing our leases in order to take effective additional precautionary measures to minimize our risk of exposure to such credit risks.

Risk relating to funding sources and interest rate

Our Group’s business operation primarily relates to the interest-bearing bank borrowings and bank balances. We have incurred, and expect to continue to incur, a significant amount of interest expenses relating to our borrowings from various banks. Accordingly, fluctuations in interest rates have affected and will continue to directly and immediately affect our financing costs and, ultimately, our profitability and results of operations. However, our management will continue to closely monitor the changes in interest rate and in turn charge our clients by the same amount in order to minimize our risk of exposure to such interest rate risks.



Foreign exchange risk

Our Group is exposed to foreign currency risk primarily with respect to Renminbi (“RMB”) and United States Dollars denominated transactions, fluctuations in exchange rates may nonetheless in the future adversely affect the value of our net assets and earnings. In particular, distributions to holders of the shares of the Company are made in Hong Kong dollars. The Group currently does not have a foreign exchange hedging policy to eliminate the currency exposures. However, our management will continue to monitor the related foreign currency exposure closely and will consider appropriate measures should the need arise.

Liquidity risk

The Group is exposed to liquidity risk in respect of settlement of trade payables, other payables and accrued charges, derivative financial liability, contingent consideration payables and bank borrowings and its financing obligations, and also in respect of its cash flow management. The Group’s policy is to regularly monitor its liquidity requirements to ensure the Group maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

CONTINGENT LIABILITIES

As at 30 September 2024, the Group did not have any material contingent liabilities (31 March 2024: nil) except for the contingent consideration payables as set out in the condensed consolidated statement of financial position.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group from time to time is exploring investment opportunities that would benefit the Shareholders as a whole. Saved as disclosed in this report, the Group did not have other material acquisition or disposals by the Group during the Reporting Period and up to the date of this report.

EVENTS AFTER THE PERIOD UNDER REVIEW

The Group had no material subsequent events after the period under review.

Management Discussion and Analysis

ADDITIONAL INFORMATION

In respect of “Going concern basis”

As explained in note 2 to the interim condensed consolidated financial statements for the six months ended 30 September 2024, the Company has given careful consideration to the Group’s current liquidity, performance and available resources in considering the Group’s ability to continue as a going concern. The Company has taken and will continue to implement the measures as further detailed in note 2 to the interim condensed consolidated financial statements. Based on the plans, measures and a cash flow forecast covering a period of twelve months from the end of the reporting period, the directors of the Company are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due for at least the next twelve months from the end of the reporting period and, accordingly, the directors of the Company are satisfied that it is appropriate to prepare the interim condensed consolidated financial statements on a going concern basis.

In order to improve the Group’s financial position and liquidity, the directors of the Company have been implementing various measures as follows:

(i) *Obtaining new source of finance to improve working capital requirements*

On 15 March 2024, the Group and a non-controlling substantial shareholder of the Group, entered into a loan agreement (the “**Loan Agreement**”) pursuant to which agreed to make available to the Group an unsecured term loan facility in an aggregate amount of HK\$10,000,000 to grant loans or provide finance lease to customers, at 6% per annum and maturing on 18 months after the end of the availability period. The availability period commenced on the date of the Loan Agreement and will end on the date falling 3 years after the date of the Loan Agreement.

On 1 May 2024, the Company and Goldbond Group Holdings Limited (“**Goldbond**”) entered into a loan agreement (the “**2024 Goldbond Loan Agreement**”) pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK\$18,000,000 to fund the general working capital of the Company, at 6% per annum and maturing on the third anniversary of the first drawdown date. The availability period commenced on the date of the 2024 Goldbond Loan Agreement and will end on the earlier of three years after the date of the 2024 Goldbond Loan Agreement or the date on which the facility is fully drawn, cancelled or terminated.

The Group also renewed loan facility from a related company, with an aggregate facilities amount of RMB40,000,000, and its maturity will be on 2 July 2025.

On 10 October 2024, the Group entered into a supplementary agreement with a related company, with an aggregate facility amount of RMB20,000,000 and its maturity will be on 21 October 2025.

As at 30 September 2024, the total facility amount of HK\$59,712,000 was stand-by and un-utilised.

As at the date of issuance of the interim condensed consolidated financial statements, the total facility amount of HK\$59,212,000 was stand-by and un-utilised. In addition, the directors of the Company are also negotiating to obtain new facilities with other financing sources.

(ii) *Implementation of active cost-saving measures*

The Group continues to take active measures to control administrative costs through various channels to improve operating cash flows and its financial position.



BUSINESS REVIEW AND PROSPECTS

During the Reporting Period, the Group continued to make strides in implementing its strategic plan initiated in the previous year and have continued to expand our leasing operations in the PRC and established a stronger presence in multiple locations. This expansion has allowed us to diversify our business risks and tap into new markets, further strengthening our position in the industry. In addition to our leasing operations, the Group has continued to enhance its ecosystem by providing value-added services such as due diligence, credit assessment, investigation, and debt recovery services. These services not only complement our leasing operations but also generate additional revenue streams, they also contribute to the Group's overall growth and operational synergies. While achieving synergies across multiple platforms, the Group will continue to focus on our business with generally smaller loan amounts and more diversified business risks during the current economic downturn, and thereby enhancing the Group's efficiency and profitability.

The company is currently facing challenges due to global economic uncertainties and geopolitical tensions, which affected the PRC. These factors have negatively impacted the financial conditions and cash flow of our leasing customers, as well as our debt collection service, resulting in difficulties with debt repayment and lengthened the debt recovery timeline. Despite these obstacles, we are dedicated to overcoming these issues through collaborative efforts, aiming for steady growth and diversification of our income sources. The Board recognizes the importance of exploring synergies within our ecosystem to strengthen our operations. Looking forward, we remain optimistic about our ability to achieve sustainable growth and create value for our Shareholders as the economic and geopolitical landscape improves.

Corporate Governance Report

The Group is committed to promote good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”). During the Reporting Period, except as disclosed in this report, the Company had complied with all code provisions in the CG Code and had adopted most of the recommended best practices set out in the CG Code except for the following:

As at the date of this report, the Company does not have a chairman of the Board (the “**Chairman**”) to discharge the duties as required under CG Code C2.2 to C2.9. The daily operation and management of the Company are monitored by the executive Director (the “**Executive Director**”) as well as the senior management of the Company. The Board is of the view that although there is no Chairman, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting the operation of the Company and the Group. This arrangement can still enable the Company to make and implement decisions promptly, and thus achieve the Company’s objectives efficiently and effectively in response to the changing environment. The Company will, at the appropriate time, arrange for the election of a Chairman.

Following the resignation of Mr. Ng Wing Chung Vincent (“**Mr. Vincent Ng**”) as an Independent Non-executive Director (“**INEDs**”) with effect from 30 September 2024, the Board has only two INEDs which fell short of the minimum number (namely three INEDs) and proportion (namely one-third of the Board) as required under Rule 3.10(1) and Rule 3.10A of the Listing Rules.

The required composition of the Audit Committee, Remuneration Committee and Nomination Committee did not meet the requirements under Rule 3.21, Rule 3.25 and Rule 3.27A of the Listing Rules as of 30 September 2024:

- i. the Audit Committee comprised of two non-executive Directors (the “**Non-executive Director**”) and two Independent Non-executive Directors, which failed to comply with the requirement of Rule 3.21 of the Listing Rules in respect of having a majority members being INEDs;
- ii. the Remuneration Committee did not have a chairman and comprised of two Non-executive Directors and two INEDs, which failed to comply with the requirement of Rule 3.25 of the Listing Rules in respect of having a majority members being INEDs; and
- iii. the Nomination Committee did not have a chairman and comprised of two Non-executive Directors and two INEDs, which failed to comply with the requirement of Rule 3.27A of the Listing Rules in respect of having a majority members being INEDs.

The Company is endeavoring to identify a suitable candidate and will fill up the vacancy of INED to meet the requirements set out in Rule 3.10(1) of the Listing Rules as soon as practicable. Further announcement(s) will be made in accordance with the requirements of the Listing Rules as and when appropriate.

COMPOSITION AND RESPONSIBILITIES OF THE BOARD

As at the date of this report, the Board consists of seven Directors, comprising one Executive Director, four Non-executive Directors and two INEDs.

The Board is responsible for the setting of the Company's corporate strategies, supervising and monitoring its implementation, review of the overall operations and financial performance of the Group, and making decisions in major aspects of the Company's matters including but not limited to the approval and adoption of key policies, material transactions, business plans, annual budgets, internal control, risk management, annual and interim results.

The Board is entrusted with the overall responsibility of monitoring the Company's business and affairs and ultimately responsible for the management of the Company which is delegated to the Chairman, the chief executive officer (the "**Chief Executive Officer**") and the Senior Management. The roles of the Chairman and the Chief Executive Officer are separated.

The Chairman is responsible for the proposing and reviewing of corporate directions and strategies of the Group, while the Chief Executive Officer works with the Senior Management team to ensure proper implementation of these strategies throughout the development of the Group. The Chief Executive Officer and Senior Management are responsible for the day-to-day operations of the Group under the leadership of the Chairman.

Ms. Wong Emilie Hoi Yan ("**Ms. Emilie Wong**") is currently the Chief Executive Officer, while the position of the Chairman remains vacant. The daily operation and management of the Company is monitored by the Executive Director as well as the Senior Management. The Board is of the view that although there is no Chairman, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting the operation of the Company and the Group. This arrangement can still enable the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently and effectively in response to the changing environment. The Company will, at the appropriate time, arrange for the election of a Chairman.

Each of the Non-executive Directors is appointed for a specific term which may be extended as each of the Non-executive Directors and the Company may agree, unless previously terminated in accordance with the terms and conditions of the relevant letter of appointment or director's service contract. Pursuant to the second amended and restated memorandum and articles of association of the Company as adopted by a special resolution passed on 31 October 2022 (the "**Articles**"), at each annual general meeting one-third of the Directors for the time being, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

BOARD DIVERSITY POLICY

On 18 December 2015, the Company adopted the board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity on the Board in order to enhance quality of its performance. On 2 May 2019, the Company has adopted a series of terms of reference for the Board committees in compliance with the regulations contained in the Companies Law of the Cayman Islands, the Listing Rules and the Articles. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage. Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company’s corporate strategy and to ensure that the Board maintains a balanced diverse profile. In reviewing and assessing the Board composition, its diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and education background, professional qualifications, skills, knowledge, industry and regional experience. The Company aims to maintain an appropriate balance of diverse perspectives that are relevant to the Company’s business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The Board may adopt and/or amend from time to time as applicable such perspectives that are appropriate to the Company’s business and the Board succession planning as applicable.

BOARD COMMITTEES

The Company established four Board committees on 18 December 2015, namely the audit committee (the “**Audit Committee**”), the nomination committee (the “**Nomination Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the risk management committee (the “**Risk Management Committee**”). The terms of reference of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee are posted on the websites of the Company and the Stock Exchange.

Audit Committee

The Audit Committee was established on 18 December 2015. On 2 May 2019, the Company has adopted a terms of reference of the Audit Committee in compliance with the regulations contained in the Companies Law of the Cayman Islands, the Listing Rules and the Articles. The primary duties of the Audit Committee during the Reporting Period included but not limited to reviewing the Group’s financial information, overseeing the Group’s financial reporting system and internal control procedures, risk management system and maintaining relationship with the Group’s external auditor and providing recommendations to the Board. During the Reporting Period, the Audit Committee consisted of two Non-executive Directors: Mr. Lau Hiu Fung (“**Mr. Lau**”) and Mr. Wong Ming Bun David (“**Mr. David Wong**”); and three INEDs: Mr. Lie Chi Wing (“**Mr. Lie**”), Mr. Vincent Ng and Mr. Ng Yuk Yeung Paul (“**Mr. Paul Ng**”). The chairman of the Audit Committee is Mr. Lie. Mr. Vincent Ng has ceased to be a member of the Audit Committee with effect from 30 September 2024.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have been reviewed by the Audit Committee before they are duly approved by the Board under the recommendation of the Audit Committee.

Nomination Committee

The Nomination Committee was established by the Board on 18 December 2015. On 2 May 2019, the Company has adopted a director nomination policy in compliance with the CG Code (the “**Director Nomination Policy**”). The Board has delegated its authority and duties for matters relating to the selection and appointment of Directors to the Nomination Committee of the Company. During the Reporting Period, the Nomination Committee is responsible for the setting of the criteria and process in the nomination and appointment of Directors, ensuring the Board has a balance of skills and diversity of perspectives appropriate to the Company and to ensure the continuity and appropriate leadership in the Board. The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and corporate strategy;
- diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- requirements of INEDs on the Board and independence of the proposed INEDs in accordance with the Listing Rules; and
- commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

During the Reporting Period, the Nomination Committee consists of two Non-executive Directors: Mr. Lau and Ms. Wong Michelle Yatyee (“**Ms. Michelle Wong**”); and three INEDs: Mr. Lie, Mr. Vincent Ng and Mr. Paul Ng. The chairman of the Nomination Committee is Mr. Vincent Ng. Mr. Vincent Ng has ceased to be the chairman of the Nomination Committee with effect from 30 September 2024.

Remuneration Committee

The Remuneration Committee was established by the Board on 18 December 2015 with written terms of reference in compliance with the Listing Rules and the CG Code. The primary duties of the Remuneration Committee during the Reporting Period included but not limited to regularly monitoring of the remuneration of all the Directors and Senior Management to ensure that levels of their remuneration and compensation are appropriate, to assess the performance of the Executive Director and to approve the terms of Executive Director’s service contracts and to make recommendations to the Board on the remuneration packages of individual Executive Director and Senior Management. During the Reporting Period, the Remuneration Committee consists of two Non-executive Directors: Mr. Lau and Ms. Michelle Wong; and three INEDs: Mr. Lie, Mr. Vincent Ng and Mr. Paul Ng. The chairman of the Remuneration Committee is Mr. Vincent Ng. Mr. Vincent Ng has ceased to be the chairman of the Remuneration Committee with effect from 30 September 2024.

Risk Management Committee

The Risk Management Committee was established by the Board on 18 December 2015. The primary duties of the Risk Management Committee during the Reporting Period were to formulate and monitor the implementation of our major risk management policies and systems, ensure necessary measures are adopted by the Senior Management to identify, evaluate, measure, detect, control and mitigate risks and conduct regular review on the risk management reports submitted by the Senior Management. It is also in charge of reviewing the feasibility, risk prevention and mitigation measures of finance leasing projects larger than RMB20.0 million and other risk-related issues in our operations that may have a material impact on our business. During the Reporting Period, the Risk Management Committee consists of one Executive Director: Ms. Emilie Wong; two Non-executive Directors: Ms. Michelle Wong and Mr. David Wong; and one INED: Mr. Vincent Ng. The chairman of the Risk Management Committee is Ms. Emilie Wong. Mr. Vincent Ng has ceased to be a member of the Risk Management Committee with effect from 30 September 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company has made specific enquiries with all of the Directors, each of whom has confirmed that he/she has, throughout the Reporting Period, complied with the required standards set out therein.

DIRECTORS’ RESPONSIBILITY OF FINANCIAL REPORTING

The Directors acknowledge their responsibility for the preparation of financial statements of the Group and ensure that the financial statements are in accordance with statutory requirements and applicable accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and the related interpretations, adjustments and estimates made are prudent and reasonable and the financial statements have been prepared on a going concern basis. The Directors are aware of the circumstances about the Group’s ability to continue as going concern as set out in note 2 in the interim condensed consolidated financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the responsibility to maintain an effective risk management and internal control system in order to safeguard the Group’s assets and investments and the Shareholders’ interest. The Board reviews the effectiveness of the Group’s risk management and internal control system at least once a year. The Company had engaged an external independent internal audit service provider to review the effectiveness of the Group’s internal control system on financial reporting, operation and compliance. The relevant assessment and review reports with strengths and recommendations for improvements were presented to the Audit Committee and the Board for assessing the effectiveness of the risk management and internal control system. The Audit Committee has also reviewed the adequacy of resources, staff qualifications and experience, training programs and budget of the Group’s accounting, internal audit and financial reporting functions performed by the external independent internal audit service provider. The Board, through the reviews and recommendations made by the external independent internal audit service provider and the Audit Committee, concluded that the risk management and internal control systems are effective and adequate for the Group.

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

As at 30 September 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)(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 to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interest in ordinary shares ("Shares") /underlying Shares of the Company

Name of Director	Capacity/ nature of interest	Number of Shares/underlying Shares (Note 1)				Approximate % of issued shares
		Personal Interest	Corporate Interest	Other Interest	Total Interest	
Ms. Wong Emilie Hoi Yan ("Ms. Emilie Wong")	Beneficial owner	4,400,000 (L) (Note 5)	–	–	4,400,000 (L)	0.75%
Mr. Lau Hiu Fung ("Mr. Lau")	Beneficial owner	4,000,000 (L) (Note 5)	–	–	4,000,000 (L)	0.68%
Ms. Wong Jacqueline Yue Yee ("Ms. Jacqueline Wong")	Beneficial owner/ interest of controlled corporations/founder of a discretionary trust and beneficiary of a trust	800,000 (L) (Note 5)	20,234,242 (L) (Note 2)	349,254,474 (L) (Note 3)	370,288,716 (L)	62.73%
	Beneficiary of a trust	–	–	38,503,380 (S) (Note 4)	38,503,380 (S)	6.52%
Ms. Wong Michelle Yatye ("Ms. Michelle Wong")	Beneficial owner/ interest of controlled corporations and beneficiary of a trust	800,000 (L) (Note 5)	20,234,242 (L) (Note 2)	349,254,474 (L) (Note 3)	370,288,716 (L)	62.73%
	Beneficiary of a trust	–	–	38,503,380 (S) (Note 4)	38,503,380 (S)	6.52%
Mr. Kwok Gareth Wing-Sien	Interest of spouse (Note 6)	800,000 (L) (Note 5)	20,234,242 (L) (Note 2)	349,254,474 (L) (Note 3)	370,288,716 (L)	62.73%
	Interest of spouse (Note 6)	–	–	38,503,380 (S) (Note 4)	38,503,380 (S)	6.52%
Mr. Wong Ming Bun David ("Mr. David Wong")	Beneficial owner	4,000,000 (L) (Note 5)	–	–	4,000,000 (L)	0.68%
Mr. Lie Chi Wing ("Mr. Lie")	Beneficial owner	322,000 (L) (Note 5)	–	–	322,000 (L)	0.05%
Mr. Ng Yuk Yeung Paul ("Mr. Paul Ng")	Beneficial owner	300,000 (L) (Note 5)	–	–	300,000 (L)	0.05%

Other Information

Notes:

1. The letters “L” and “S” denote the Directors’ long position and short position in the Shares or underlying Shares of the Company respectively.
2. Such interests include 10,127,176 Shares held by Legend Crown International Limited (“**Legend Crown**”) and 10,107,066 Shares held by Plenty Boom Investments Limited (“**Plenty Boom**”). Ms. Jacqueline Wong founded the discretionary trust (the “**Ace York Management Trust**”) of which the property included the entire issued share capital of Legend Crown and Plenty Boom. The trustee of the Ace York Management Trust is Ace York Investment Management Limited (“**Ace York Management**”, a company owned as to 50% by Ms. Jacqueline Wong and 50% by Ms. Michelle Wong), where the beneficiaries are Ms. Jacqueline Wong and Ms. Michelle Wong and their respective issue(s). By virtue of the above, Ms. Jacqueline Wong, Ms. Michelle Wong and Ace York Management are taken to have a duty of disclosure in relation to the said Shares held by Legend Crown and Plenty Boom under the SFO.
3. Such Shares include (i) 143,805,903 Shares held by Perfect Honour Limited (“**Perfect Honour**”), which is a wholly owned subsidiary of Goldbond Group Holdings Limited (“**Goldbond**”); (ii) 188,948,571 Shares directly held by Goldbond; and (iii) 16,500,000 underlying Shares that Goldbond was directly interested in. On 4 March 2022, the Company issued convertible bonds in an aggregate principal amount of HK\$3,811,500 at a conversion price of HK\$0.154 per conversion share to Goldbond, in which a maximum of 24,750,000 new Shares will be allotted and issued to Goldbond upon conversion of such convertible bonds. Mr. Wong Charles Yu Lung (“**Mr. Wong**”) and Mrs. Wong Fang Pik Chun (“**Mrs. Wong**”), parents of Ms. Michelle Wong and Ms. Jacqueline Wong established the Allied Luck Trust (as defined below) and Ms. Michelle Wong and Ms. Jacqueline Wong established the Aceyork Trust (as defined below), where both Ms. Jacqueline Wong and Ms. Michelle Wong and their respective issue(s) are the beneficiaries of such trusts. The assets of the Allied Luck Trust include all the Goldbond’s shares held by Allied Luck Trading Limited (“**Allied Luck**”, a company wholly-owned by the Allied Luck Trust), being approximately 30.99% of the total issued share capital of Goldbond, (the “**Allied Luck Trust**”), and the assets of the Aceyork Trust included all the Goldbond’s shares held by Ace Solomon Investments Limited (“**Ace Solomon**”) being approximately 26.06% of the total issued share capital of Goldbond. Ace Solomon is a company jointly owned by Allied Golden Investment Limited (“**Allied Golden**”) and Aceyork Investment Limited (“**Aceyork**”), which (in each of the cases of Allied Golden and Aceyork) in turn are wholly-owned by the Aceyork Trust (the “**Aceyork Trust**”). Ms. Jacqueline Wong and Ms. Michelle Wong being beneficiaries of the Allied Luck Trust and the Aceyork Trust, in turn, holds approximately 34.86% of the issued share capital of the Company through Perfect Honour. By virtue of the above, Ms. Jacqueline Wong and Ms. Michelle Wong are taken to have a duty of disclosure in relation to the said Shares held by Perfect Honour under the SFO.
4. On 3 May 2018, Solomon Glory Limited (“**Solomon Glory**”), which is a wholly owned subsidiary of Goldbond, as lender, enforced its rights under the security of a loan agreement pursuant to which Yong Hua International Limited (“**Yong Hua**”) has charged its assets including the shares (the “**Charged Shares**”) of the Company held by Yong Hua by way of floating charge, which has been crystallised into a fixed charge. On 2 July 2019, the Board was notified that an order was issued on 13 March 2019 by The High Court of The Hong Kong Special Administrative Region to the effect that, among others, the Charged Shares shall be sold by China Galaxy International Securities (Hong Kong) Co., Limited (as agent) provided that each of the Charged Shares shall not be sold at a price of more than 10% discount to the average closing prices of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited for the previous 10 consecutive trading days prior to the date of sale of the Charged Shares or any of them.
5. These interests represent the interests in underlying Shares in respect of the share options granted by the Company to these Directors.
6. Mr. Kwok Gareth Wing-Sien, the spouse of Ms. Michelle Wong, is deemed to be interested in Ms. Michelle Wong’s interest in the Company.
7. As at 30 September 2024, there was a total of 590,302,571 Shares in issue.

Save as disclosed above, as at 30 September 2024, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any associated corporation (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 to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OR DEBENTURES

So far as the Directors are aware as of 30 September 2024, the following persons (other than the Directors or chief executive of the Company) had the following interests or short positions in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Interest in the Shares/underlying Shares of the Company

Name of substantial shareholder	Capacity/nature of interest	Number of Shares/ underlying Shares (Note 1)	Total Interest	Approximate % of issued shares
Ms. Wong Jacqueline Yue Yee ("Ms. Jacqueline Wong")	(i) Beneficial owner	800,000 (L) (Note 2)		
	(ii) Interest in controlled corporations/founder of a discretionary trust	20,234,242 (L) (Note 3)		
	(iii) Beneficiary of a trust	349,254,474 (L) (Note 4)	370,288,716 (L)	62.73%
	(iv) Beneficiary of a trust	38,503,380 (S) (Note 5)		6.52%
Ms. Wong Michelle Yatye ("Ms. Michelle Wong")	(i) Beneficial owner	800,000 (L) (Note 2)		
	(ii) Interest in controlled corporations	20,234,242 (L) (Note 3)		
	(iii) Beneficiary of a trust	349,254,474 (L) (Note 4)	370,288,716 (L)	62.73%
	(iv) Beneficiary of a trust	38,503,380 (S) (Note 5)		6.52%
Mr. Kwok Gareth Wing-Sien	(i) Interest of spouse	370,288,716 (L) (Note 6)		62.73%
	(ii) Interest of spouse	38,503,380 (S) (Note 6)		6.52%
Mr. Wong Charles Yu Lung ("Mr. Wong")	Trustee	349,254,474 (L) (Note 4)		59.17%
	Trustee	38,503,380 (S) (Note 5)		6.52%
Mrs. Wong Fang Pik Chun ("Mrs. Wong")	Trustee	349,254,474 (L) (Note 4)		59.17%
	Trustee	38,503,380 (S) (Note 5)		6.52%

Other Information

Name of substantial shareholder	Capacity/nature of interest	Number of Shares/ underlying Shares (Note 1)	Total Interest	Approximate % of issued shares
Goldbond Group Holdings Limited ("Goldbond")	Interest in controlled corporation	143,805,903 (L) (Note 4)		
	Beneficial owner	205,448,571 (L) (Note 4)	349,254,474 (L)	59.17%
	Interest in controlled corporation	38,503,380 (S) (Note 5)		6.52%
Perfect Honour Limited ("Perfect Honour")	Beneficial owner	143,805,903 (L) (Note 4)		24.36%
Solomon Glory Limited ("Solomon Glory")	Having a security interest in shares	38,503,380 (S) (Note 5)		6.52%
Mr. Xie Xiaoqing ("Mr. Xie")	Interest in controlled corporation	12,704,220 (L) (Note 7)		
	Interest in controlled corporation	38,503,380 (L) (Note 8)	51,207,600 (L)	8.67%
	Interest in controlled corporation	38,503,380 (S) (Note 8)		6.52%
Yong Hua International Limited ("Yong Hua")	Beneficial owner	38,503,380 (L) (Note 8)		6.52%
	Beneficial owner	38,503,380 (S) (Note 8)		6.52%



Notes:

1. The letters “L” and “S” denote a person’s/an entity’s long position and short position in the Shares or underlying Shares of the Company respectively.
2. These interests represent the interests in underlying shares in respect of the share options granted by the Company to these Substantial Shareholders.
3. Reference to the 20,234,242 Shares relates to the same block of Shares held by Legend Crown and Plenty Boom. Please refer to Note 2 on page 44 of this report for further details. By virtue of the above, Ms. Jacqueline Wong and Ms. Michelle Wong are taken to have duty of disclosure in relation to these Shares held by Legend Crown and Plenty Boom.
4. The references to the 349,254,474 Shares relate to the same block of Shares held by Perfect Honour and 205,448,571 Shares that Goldbond was directly interest in. Please refer to Note 3 on page 44 of this report for further details. By virtue of the above, Ms. Jacqueline Wong, Ms. Michelle Wong, Mr. Wong, Mrs. Wong, Perfect Honour and Goldbond are taken to have a duty of disclosure in relation to these Shares held by Perfect Honour.
5. The references to the 38,503,380 Shares relate to the same block of Shares held by Solomon Glory. Please refer to Note 4 on page 44 of this report for further details. By virtue of the above, Ms. Jacqueline Wong, Ms. Michelle Wong, Mr. Wong, Mrs. Wong, Solomon Glory and Goldbond are taken to have a duty of disclosure in relation to these Shares held by Solomon Glory.
6. Mr. Kwok Gareth Wing-Sien, the spouse of Ms. Michelle Wong, is deemed to be interested in Ms. Michelle Wong’s interest in the Company.
7. Such interests include 2,117,370 Shares held by Capital Grower Limited (“Capital Grower”), and 10,586,850 Shares held by Clifton Rise International Limited (“Clifton Rise”), which are all companies owned as to 100% by Mr. Xie. By virtue of the above, Mr. Xie is taken to have a duty of disclosure in relation to the said Shares held by Capital Grower and Clifton Rise under the SFO.
8. Such Shares are held by Yong Hua, a company owned as to 100% by Mr. Xie. Please refer to Note 4 on page 44 of this report for further details. By virtue of the above, Mr. Xie is taken to have a duty of disclosure in relation to the said Shares held by Yong Hua under the SFO.
9. As at 30 September 2024, there was a total of 590,302,571 Shares in issue.

Save as disclosed above, as at 30 September 2024, the Directors were not aware of any person who had an interest or short position in the Shares and the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

Other Information

Expressions used in the sections headed “Connected Persons”, “Exempt Continuing Connected Transactions”, “Non-Competition Deeds” and “Deed of Undertaking” shall have the same meanings given to them in the Company’s prospectus dated 18 January 2016 (the “Prospectus”)

CONTINUING CONNECTED TRANSACTIONS

CONNECTED PERSONS

Rongzhong Group Limited (“Rongzhong Group”)

Goldbond, as our Controlling Shareholder, is indirectly interested in 40.00% of the issued share capital in Rongzhong Group. Rongzhong Group is therefore a connected person of the Company.

Wuhan Rongzhong Internet Technology Company Limited, Rongzhong Capital Investments Group Limited

Mr. Xie, one of the Substantial Shareholders of the Company and a director of the Company’s subsidiary, is directly interested in 100.00% and 98.21% respectively of the issued share capital of Wuhan Rongzhong Internet Technology Company Limited 武漢融眾網絡技術有限公司 (“**Rongzhong Internet**”), and Rongzhong Capital Investments Group Limited 融眾資本投資集團有限公司 (“**Rongzhong Capital Investments**”). Rongzhong Capital Investments (also referred to as joint venture of a major shareholder in the consolidated financial statements) wholly-owns Wuhan Rongzhong Investment Guarantee Company Limited 武漢欣眾融企業管理有限公司 (formerly known as 武漢市融眾投資擔保有限公司) (“**Wuhan Rongzhong**”). Pursuant to the Listing Rules, Rongzhong Internet, Rongzhong Capital Investments and Wuhan Rongzhong are associates of Mr. Xie and therefore are connected persons of the Company.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

The Loan Agreements

On 21 October 2021, the Company and Goldbond entered into a loan agreement pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK\$50,000,000 to fund the general working capital of the Company, at 6% per annum and maturity on the third anniversary of the first drawdown date (the “**Goldbond Loan Agreement**”). The availability period commenced on the date of the Goldbond Loan Agreement and will end on the earlier of three years after the date of the Goldbond Loan Agreement; or the date on which the facility is fully drawn, cancelled or terminated. As at 30 September 2024, the balance due to Goldbond, is approximately HK\$3.6 million (31 March 2024: nil).

For details, please refer to the Company’s announcement dated 21 October 2021.

Upon completion of the subscription under the Subscription Agreement on 18 January 2024, it shall be deemed as an absolute discharge and full and final satisfaction and settlement of the loans owned by the Company to Goldbond under the Goldbond Loan Agreement; and Goldbond shall no longer have any rights, title, interests or benefits in or in relation to the loans under the Goldbond Loan Agreement.

For details, please refer to the circular of the Company dated 15 December 2023.

On 1 May 2024, the Company and Goldbond entered into a loan agreement pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK\$18,000,000 to fund the general working capital of the Company, at 6% per annum and maturity on the third anniversary of the first drawdown date (the “**2024 Goldbond Loan Agreement**”). The availability period commenced on the date of the 2024 Goldbond Loan Agreement and will end on the earlier of three years after the date of the 2024 Goldbond Loan Agreement or the date on which the facility is fully drawn, cancelled or terminated.

On 1 July 2020 and 15 November 2021, a loan agreement and a supplementary loan agreement were entered between a non-wholly owned subsidiary of the Company and Shanghai Nanlang Automobile Technology Co., Ltd. (formerly known as Shanghai Nanlang Finance Lease Co., Ltd., “**Shanghai Nanlang**”), an indirectly owned subsidiary of Goldbond, (the “**SHNL Loan Agreements**”), with carried interest at 4.5% per annum and repayable on the third anniversary from the first date of loan drawn. As at 30 September 2024, the balance due to related party is approximately HK\$33.4 million (31 March 2024: HK\$32.8 million), the corresponding interest expenses were recognized as “Finance costs” in the consolidated statement of profit or loss and other comprehensive income for the Reporting Period. On 28 June 2023, the Group entered into a supplementary agreement with Shanghai Nanlang and extended the maturity date of the loan facilities to 1 July 2024 at 5.0% interest rate per annum. On 18 June 2024, the Group entered into a supplementary agreement with Shanghai Nanlang and extended the maturity date of the loan facilities to 2 July 2025.

For details, please refer to the Company’s circular dated 24 January 2022.

On 15 March 2024, Genuine Glory Investments Limited (“**Genuine Glory**”), a wholly-owned subsidiary of the Company and BBMSL Limited (“**BBMSL**”), a substantial shareholder of a non-wholly owned subsidiary of the Company, entered into a loan agreement pursuant to which BBMSL agreed to make available to Genuine Glory an unsecured term loan facility in an aggregate amount of HK\$10,000,000 to fund the grants of loans and/or provision of finance lease to customers of Genuine Glory, at 6% per annum and maturity on 18 months after the end of the available period (the “**BBMSL Loan Agreement**”). The availability period commenced on the date of the BBMSL Loan Agreement and will end on the earlier of three years after the date of the BBMSL Loan Agreement; or the date on which the facility is fully drawn, cancelled or terminated. As at 30 September 2024, the balance due to BBMSL, is nil (31 March 2024: nil).

As the financial assistances received by the Group under the Goldbond Loan Agreement, the SHNL Loan Agreements and the BBMSL Loan Agreement are conducted on normal commercial terms or better without security over the assets of the Group, each of these transactions qualified as a connected transaction fully exempt from shareholders’ approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

NON-COMPETITION DEEDS

In order to protect the Group from potential competition from our Shareholders, on 18 December 2015, the Company had entered into a deed of non-competition with each of the following parties respectively (collectively as the “**Deeds of Non-Competition**”):

- a. Rongzhong Group (other than through a member of the Group);
 - b. Mr. Wong, Mrs. Wong, Legend Crown and Plenty Boom (except for Rongzhong Group and its close associates); and
 - c. Mr. Xie, Yong Hua, Clifton Rise and Capital Grower (except Rongzhong Group and its close associates),
- collectively referred to as the “**Covenantors**” and each “**Covenantor**”.

Other Information

Each of the Covenantors has given an irrevocable non-competition undertaking in favour of the Company pursuant to which each of the Covenantors, among other matters has irrevocable and unconditionally undertaken to the Company on a several basis that at any time during the Relevant Period (as defined below), it shall, and shall procure that its subsidiaries and/or close associates:

- (i) not, directly or indirectly, be interested or involved or engaged in or acquire or hold any right or interest (in each case whether as a director or shareholder, other than being a director or shareholder of the Group, partner, agent or otherwise and whether for profit, reward or otherwise) in any business which competes or is likely to compete directly or indirectly with the finance leasing business currently and from time to time engaged by the Group including but not limited to the provision of direct leasing, sale leaseback and financial leasing related advisory services to SMEs in the PRC (the “**Restricted Activity**”) (other than the small loan business operated by Yancheng Goldbond Supply Chain Management Company Limited (formerly known as Yancheng Goldbond Technology Small Loan Company Limited, “**Yancheng Goldbond**”) and Rongzhong Credit (Hubei) Limited (the “**Rongzhong Small Loan**”), unless pursuant to the exception set out below;
- (ii) not to solicit any existing employee of the Group for employment by it or its subsidiaries and/or close associates (as applicable) (excluding members of the Group);
- (iii) not, without the consent from the Company, make use of any information pertaining to the business of the Group which may have come to its knowledge in its capacity as our Controlling Shareholder or Director for any purpose of engaging, investing or participating in any Restricted Activity;
- (iv) if there is any project or new business opportunity that relates to the Restricted Activity, refer such project or new business opportunity to the Group for consideration;
- (v) not to invest or participate in any Restricted Activity unless pursuant to the exceptions set out below; and
- (vi) to procure its subsidiaries and/or its close associates (as applicable) (excluding members of the Group) not to invest or participate in any project or business opportunity of the Restricted Activity, unless pursuant to the exceptions set out below.

New business opportunity

Save for the situations as set out in the paragraphs headed “Customer referral obligation” and “Conflict check obligation”, each of the Covenantors has unconditionally and irrevocably undertaken to us that in the event that it or its subsidiaries and/or its close associates (as applicable) (other than members of the Group) (the “**Offeror**”) is given or identified or offered any business investment or commercial opportunity which directly or indirectly competes, or may lead to competition with the Restricted Activity (the “**New Opportunities**”), it will and will procure its subsidiaries and/or its close associates to refer the New Opportunities to us as soon as practicable in the following manner:

- (i) each of the Covenantors is required to, and shall procure its subsidiaries and/or its close associates (as applicable) (other than members of the Group) to refer, or to procure the referral of, the New Opportunities to us, and shall give written notice to us of any New Opportunities containing all information reasonably necessary for us to consider whether (a) such New Opportunities would constitute competition with the Restricted Activity; and (b) it is in the interest of the Group and the Shareholders as a whole to pursue such New Opportunities, including but not limited to the nature of the New Opportunities and the details of the investment or acquisition costs (the “**Offer Notice**”); and

- (ii) the Offeror will be entitled to pursue the New Opportunities only if (a) the Offeror has received a notice from us declining the New Opportunities; or (b) the Offeror has not received such notice from us within 10 Business Days from our receipt of the Offer Notice. If there is a material change in the terms and conditions of the New Opportunities pursued by the Offeror, the Offeror will refer the New Opportunities as so revised to us in the manner as set out above.

Upon receipt of the Offer Notice, we will seek opinions and decisions from the INEDs who and will form an independent board committee (the “**Independent Board Committee**”) as to whether (a) such New Opportunities would constitute competition with the Restricted Activity; and (b) it is in the interest of the Group and the Shareholders as a whole to pursue the New Opportunities.

On or about 12 June 2020, the Company received a notice (the “**Notice**”) issued by certain covenantors with reference to a deed of non-competition dated 18 December 2015 (the “**Deed of Non-Competition**”) containing particulars of two proposed acquisitions. Upon receipt of the Notice, the Company formed an independent board committee in accordance with the Deed of Non-competition. For details, please refer to the Company’s announcement dated 2 July 2020.

Right of first refusal

Where any of the Covenantors (or any of its subsidiaries and/or its close associates) (as applicable) (other than members of the Group) has acquired a business investment or an interest in any entity relating to the Restricted Activity (the “**Acquired Entity**”) pursuant to the paragraph headed “New business opportunity” above, the relevant Covenantor and/or its subsidiaries and/or its close associates (as applicable) (other than members of the Group) shall provide us with a right of first refusal (the “**Right of First Refusal**”) for a duration of one month to acquire any such Restricted Activity if they intend to dispose any equity interest in the Acquired Entity. Where the Independent Board Committee of the Company decides to waive the Right of First Refusal by way of written notice, the relevant Covenantor and/or its subsidiaries and/or its close associates (as applicable) may offer to sell such Restricted Activity to other third parties on such terms which are no more favorable than those made available to the Group. In deciding whether to exercise the above options, the Directors will consider various factors including the purchase price, the nature of the products and services and their values and benefits, as well as the benefits that they will bring to the Group.

Customer referral obligation

If a significant amount of the collateral provided by any of the new customer of Rongzhong Small Loan are within the scope of the Permitted Leased Assets, Rongzhong Group shall procure Rongzhong Small Loan to use its best endeavors to conduct due diligence on the new customer before entering into any agreement with the new customer to check whether (i) the ownership of the collateral are capable of being transferred and (ii) the new customer is willing to transfer the ownership of the collateral as security for loan until repayment of loan, which are essential to the creation of a lessee-lessor relation under finance leasing, and if items (i) and (ii) are satisfied, Rongzhong Group shall procure Rongzhong Small Loan to refer the new customer to the Group by written notice (the “**Written Notice**”) and that Rongzhong Small Loan will be entitled to enter into an agreement with the new customer only if (a) it has received a notice from us declining to provide services to the new customer; or (b) it has not received such notice from us within three (3) Business Days from our receipt of the Written Notice.

Conflict check obligation

Rongzhong Group shall procure Rongzhong Small Loan to check the customers list provided by the Company to it on a monthly basis to ensure that the new customer is not one of Rongzhong PRC’s existing customers before entering into any agreement with the new customer. In the event that the new customer is one of Rongzhong PRC’s existing customers, Rongzhong Group shall procure Rongzhong Small Loan to inform us of the proposed transaction (including the particulars of the proposed transaction and the new customer) and that Rongzhong Small Loan shall refrain from entering into an agreement with the new customer until and unless the Risk Management Committee of the Company has completed an evaluation on the new customer and is satisfied that Rongzhong PRC is not qualified to provide finance leasing services to the new customer.

Other Information

The Deeds of Non-competition shall not prevent each of the Covenantors and/or its subsidiaries and/or close associates (as applicable) to hold or have interest in shares or other securities in any company which conducts or is engaged in any Restricted Activity (the “**Subject Company**”) provided that:

- (a) the aggregate interests or number of shares held by the Covenantor (including its subsidiaries and/or its close associates) (as applicable) does not exceed 5.00% of the issued share capital of the Subject Company; and
- (b) neither the Covenantor nor its subsidiaries and/or close associates (as applicable) has board or management control of the Subject Company.

For the above purpose, the “**Relevant Period**” means the period commencing from the Listing Date and shall expire on the earlier of the dates below:

- (i) in respect of:
 - (a) Mr. Wong, Mrs. Wong, Plenty Boom and Legend Crown, the date on which Mr. Wong and Mrs. Wong, individually or taken as a whole, cease to be our Controlling Shareholders;
 - (b) Mr. Xie, Yong Hua, Clifton Rise and Capital Grower, the date on which they and their respective subsidiaries, individually or taken as a whole, cease to be our Substantial Shareholders; and
 - (c) Rongzhong Group, the date on which Goldbond and Perfect Honour cease to be our Controlling Shareholders; or
- (ii) the date on which the Shares cease to be listed on the Stock Exchange or (if applicable) other stock exchange.

Each of the Covenantor confirms that he/she/it has each complied with the terms of his/her/its Deed of Non-competition respectively.

DEED OF UNDERTAKING

Although the geographic location, approval requirements, potential customers and under the qualification of the currently applicable PRC laws differentiate the Group with the small loan business operated by Yancheng Goldbond, however, in order to ensure that there are no conflicts and competition between the business of the Group and Yancheng Goldbond, the Company and Goldbond have entered into a Deed of Undertaking on 18 December 2015 pursuant to which Goldbond has irrevocably and unconditionally undertaken to the Company that it shall procure Yancheng Goldbond to check the customers list provided by the Company to it on a monthly basis to ensure that Yancheng Goldbond’s new customer is not one of Rongzhong PRC’s existing customers before entering into agreement with the new customer. Where the new customer is one of Rongzhong PRC’s existing customers, Goldbond shall procure Yancheng Goldbond to inform us of the proposed transaction (including the particulars of the proposed transaction and the new customer) to enable the Risk Management Committee to evaluate whether Rongzhong PRC is qualified to take on the new customer and the benefits of such business opportunities will bring to us. In the event that the Group is qualified and is interested in taking on the new customer, both Yancheng Goldbond and the Group may pitch to the new customer and Yancheng Goldbond is only entitled to enter into an agreement with the new customer if the new customer selects its service over those of Rongzhong PRC and or other service providers (if applicable). In the event that Rongzhong PRC is not qualified or is not interested in taking on the new customer, Yancheng Goldbond may proceed to enter into an agreement with the new customer (“**Goldbond’s Conflict Check Undertaking**”).

In consideration of Goldbond's Conflict Check Undertaking, the Company has also irrevocably and unconditionally undertaken to Goldbond that the Company shall procure Rongzhong PRC to check the customers list provided by Goldbond to it on a monthly basis to ensure that Rongzhong PRC's new customer is not one of Yancheng Goldbond's existing customers before entering into any agreement with the new customer. Where the new customer is one of Yancheng Goldbond's existing customers, the Company shall procure Rongzhong PRC to inform Goldbond of the proposed transaction (including the particulars of the proposed transaction and the new customer) to enable Goldbond to evaluate whether Yancheng Goldbond is qualified to take on the new customer and the benefits of such business opportunities will bring to Goldbond. In the event that Yancheng Goldbond is qualified and is interested in taking on the new customer, both Yancheng Goldbond and Rongzhong PRC may pitch to the new customer and Rongzhong PRC is only entitled to enter into an agreement with the new customer if the new customer selects its service over those of Yancheng Goldbond and or other service providers (if applicable). In the event that Yancheng Goldbond is not qualified or is not interested in taking on the new customer, Rongzhong PRC may proceed to enter into an agreement with the new customer (the "**Company's Conflict Check Undertaking**", together with Goldbond's Conflict Check Undertakings, collectively referred to as the "**Conflict Check Undertakings**").

The Conflict Check Undertakings commence from the listing date and shall expire on the earlier of the dates below:

- (a) the date on which Goldbond or its subsidiaries, individually or taken as a whole, ceases to be a Controlling Shareholder of the Company; and
- (b) the date on which the Shares cease to be listed on the Stock Exchange or (if applicable) other stock exchange.

Save as disclosed in this interim report, there has been no other transaction, arrangement or contract of significance subsisting during or at the end of the Reporting Period in which a Director or an entity connected with a Director is or was either directly or indirectly materially interested in.

RESIGNATION OF DIRECTOR

With effect from 30 September 2024, Mr. Vincent Ng, the former INED, a member of the Audit Committee and the Risk Management Committee; and the chairman of the Remuneration Committee and the Nomination Committee of the Company, submitted a written resignation to resign as an INED of the Company and has ceased to be a member of the Audit Committee and the Risk Management Committee; and the chairman of the Remuneration Committee and the Nomination Committee of the Company due to his decision to devote more time to his other business commitments.

For details, please refer to the Company's announcement dated 30 September 2024.

Other Information

SHARE OPTION SCHEME

On 18 December 2015, the Company conditionally approved and adopted the share option scheme (the “**Share Option Scheme**”) in accordance with the provisions of Chapter 17 of the Listing Rules. The purpose of the Share Option Scheme is to provide any Directors and full time employees of any member(s) of our Group (the “**Participant(s)**”) with the opportunity to acquire proprietary interest in our Company and to encourage them to work towards enhancing the value of our Company and its shares for the benefit of the Company and its Shareholders as a whole. On and subject to the terms of the Share Option Scheme and the requirements of the Listing Rules (in particular as to grant of options to Directors, chief executives and substantial shareholders of our Company or their respective associates), the Board shall be entitled at any time within 10 years after the date of adoption of the Share Option Scheme to make an offer for the grant of an option to any Participant as the Board may determine. The number of Shares which may be issued pursuant to the exercise of the options to be granted under the Share Option Scheme is 40,000,000 Shares in total.

Details of the movements of share options under the Share Option Scheme during the Reporting Period were as follows:

Grantee	Date of grant	Exercise price HK\$	Closing price of the options shares immediately before the date of grant HK\$	Exercise period (Note 2)	Outstanding at 31 March 2024	Lapsed during the period	Outstanding at 30 September 2024 (Note 3)
Director							
Ms. Emilie Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	400,000	–	400,000
	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	2,000,000	–	2,000,000
				31/12/2025-4/12/2033	2,000,000	–	2,000,000
Ms. Jacqueline Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	400,000	–	400,000
	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	400,000	–	400,000
Ms. Michelle Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	400,000	–	400,000
	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	400,000	–	400,000
Mr. David Wong	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	4,000,000	–	4,000,000
Mr. Lau	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	1,300,000	–	1,300,000
				31/12/2025-4/12/2033	1,300,000	–	1,300,000
				31/12/2026-4/12/2033	1,400,000	–	1,400,000

Grantee	Date of grant	Exercise price HK\$	Closing price of the options shares immediately before the date of grant HK\$	Exercise period (Note 2)	Outstanding at 31 March 2024	Lapsed during the period	Outstanding at 30 September 2024 (Note 3)
Mr. Lie	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	22,000	–	22,000
	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	150,000	–	150,000
				31/12/2025-4/12/2033	150,000	–	150,000
Mr. Vincent Ng (resigned on 30 September 2024)	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	22,000	(22,000)	–
	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	150,000	(150,000)	–
				31/12/2025-4/12/2033	150,000	(150,000)	–
Mr. Paul Ng	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	150,000	–	150,000
				31/12/2025-4/12/2033	150,000	–	150,000
				31/12/2026-4/12/2033	1,300,000	–	1,300,000
Eligible employees (in aggregate)	10/2/2020	0.400	0.350	10/2/2023-9/2/2030	350,000	–	350,000
Directors of certain subsidiaries of the Company and other employees of the Group (in aggregate)	5/12/2023	0.400	0.390	31/12/2024-4/12/2033	6,900,000	–	6,900,000
				31/12/2025-4/12/2033	7,100,000	–	7,100,000
				31/12/2026-4/12/2033	1,300,000	–	1,300,000
					30,594,000	(322,000)	30,272,000

Notes:

- During the Reporting Period, no share options were granted, exercised or cancelled under the Share Option Scheme. The number of shares that may be issued in respect of options and awards granted under all schemes of the Company during the Reporting Period divided by the weighted average number of issued shares of the Company for the period is 0%, as no option or award was granted under all schemes of the Company during that period.
- The minimum period for which a share option must be held before it can be exercised is between the first and the third anniversary of the date of grant.
- During the Reporting Period, no share options were exercised or vested under the Share Option Scheme. Hence, no disclosure is required in respect of the weighted average closing price of the Shares immediately before the date on which any share options were exercised or vested pursuant to Rule 17.07(1)(d) of the Listing Rules.

Other Information

EQUITY-LINKED AGREEMENTS

Particulars of convertible bonds of the Group as at 30 September 2024 are set out in note 19 to the interim condensed consolidated financial statements.

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

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

By Order of the Board
China Rongzhong Financial Holdings Company Limited
Wong Emilie Hoi Yan
Executive Director

Hong Kong, 27 November 2024