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FINET GROUP LIMITED

財華社集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8317)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

The board (the “Board”) of directors (the “Directors”) of Finet Group Limited (stock code: 8317), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares are listed on the GEM Board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Company” and together with its subsidiaries, the “Group”) announces its audited consolidated annual results of the Group for the year ended 31 March 2024 (the “Current Period”) together with the comparative figures for the year ended 31 March 2023 (the “Corresponding Period”).

FINANCIAL HIGHLIGHTS

	Year ended 31 March	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Operating results		
Revenue	13,433	12,864
Loss attributable to owners of the Company	(8,497)	(16,341)
Profit attributable to non-controlling interests	<u>1,216</u>	<u>107</u>
	As at 31 March	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Financial position		
Total assets	66,114	62,100
Total liabilities	22,272	43,046
Net assets	43,842	19,054
Cash and cash equivalents	<u>8,551</u>	<u>8,022</u>
	Year ended 31 March	
	2024	2023
		(Restated)
Loss per share for loss attributable to owners to the Company during the year		
Basic and diluted (<i>HK dollar per share</i>)	<u>(0.01)</u>	<u>(0.02)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	3	13,433	12,864
Other income and other net losses	4	6,622	7,446
Selling and marketing expenses		(46)	(51)
Employee benefits expense		(13,595)	(18,172)
Depreciation		(4,152)	(4,354)
Provision for impairment loss of trade receivables	11	(3,731)	(3,257)
Provision for impairment loss of amounts due from related companies		(889)	(1,119)
Impairment loss of intangible assets		(950)	—
Other operating expenses		(5,829)	(10,319)
Finance costs	6	(160)	(616)
Loss before income tax	7	(9,297)	(17,578)
Income tax credit	8	2,016	1,344
Loss for the year		(7,281)	(16,234)
Loss attributable to:			
— Owners of the Company		(8,497)	(16,341)
— Non-controlling interests		1,216	107
		(7,281)	(16,234)
			(Restated)
Loss per share for loss attributable to owners of the Company during the year			
— Basic and diluted (<i>HK dollar per share</i>)	10	(0.01)	(0.02)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Loss for the year	(7,281)	(16,234)
Other comprehensive (loss)/income for the year, net of tax:		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	<u>(115)</u>	<u>632</u>
Total comprehensive loss for the year	<u>(7,396)</u>	<u>(15,602)</u>
Total comprehensive (loss)/income for the year, attributable to:		
— Owners of the Company	(8,612)	(15,709)
— Non-controlling interests	<u>1,216</u>	<u>107</u>
	<u>(7,396)</u>	<u>(15,602)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		790	985
Right-of-use assets		4,806	2,586
Investment properties		23,900	27,260
Intangible assets		—	950
Statutory deposits and other assets		155	205
		<u>29,651</u>	<u>31,986</u>
Current assets			
Trade receivables	11	5,836	5,622
Prepayment, deposits and other receivables		1,525	1,662
Amounts due from related companies		20,383	14,622
Client trust bank balances		168	186
Cash and cash equivalents		8,551	8,022
		<u>36,463</u>	<u>30,114</u>
Total assets		<u>66,114</u>	<u>62,100</u>
Current liabilities			
Accounts payable	12	2,795	1,790
Contract liability		1,805	1,805
Accruals and other payables		3,503	5,070
Amount due to a related company		5	5
Loans from a shareholder		3,600	—
Lease liabilities		3,060	2,637
		<u>14,768</u>	<u>11,307</u>
Net current assets		<u>21,695</u>	<u>18,807</u>
Total assets less current liabilities		<u>51,346</u>	<u>50,793</u>

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current liabilities			
Loans from a shareholder		—	24,018
Lease liabilities		1,799	—
Deferred tax liabilities		5,705	7,721
		<u>7,504</u>	<u>31,739</u>
Net assets		<u>43,842</u>	<u>19,054</u>
Equity			
Capital and reserves attributable to owners of the Company			
Share capital	13	9,998	6,665
Reserves		39,320	19,081
		<u>49,318</u>	<u>25,746</u>
Non-controlling interests		(5,476)	(6,692)
		<u>43,842</u>	<u>19,054</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Finet Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in (i) the development, production and provision of financial information, advertising and investor relationship service and technology solutions to corporate and retail clients in Hong Kong and People’s Republic of China (the “PRC”); (ii) provision of brokerage, underwriting and asset management services; (iii) money lending business; and (iv) property investments business. The principal activity of the Company is investment holding.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands. On 16 June 2011, the Company was deregistered in the Cayman Islands and duly continued in Bermuda as an exempted company under the laws of Bermuda. The Company’s registered office is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The Company’s principal place of business is situated at 30/F, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong.

The Company’s parent company is Maxx Capital International Limited, which is wholly-owned by Pablos International Limited (“Pablos”). The ultimate controlling party is Ms. LO Yuk Yee (“Ms. LO”), the chairman and executive director of the Company, through her ownership in Pablos International Limited.

The Company’s shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 7 January 2005.

These consolidated financial statements are presented in Hong Kong dollars (HK\$) unless otherwise stated.

2. BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) and by the Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

Going Concern

The Group incurred a net loss of approximately HK\$7,281,000 during the year ended 31 March 2024 and, as of that date, the Group's net current assets was approximately HK\$21,695,000.

The directors of the Group are taking into account the cash flows from operations and implementing a series of cost-saving measures. The Directors consider that the Group has adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on going concern basis.

Changes in accounting policy and disclosures

(a) *New and amended standards adopted by the Group*

The Group has adopted the following new and amendments to standards and conceptual framework that have been issued and effective for Group's financial year beginning on or after 1 April 2023:

HKFRS 17 and related amendments	<i>Insurance Contracts</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform — Pillar Two Model Rules</i>

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

(b) *New standards and amendments to standards not yet adopted*

The following new standards, amendments and interpretations to existing standards and interpretations have been published that are mandatory for the Group's accounting periods on or after 1 April 2023 and have not been early adopted by the Group.

Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 and Non-current Liabilities with Covenants¹</i>
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements¹</i>
Amendments to HKAS 21	<i>Lack of Exchangeability²</i>
Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback¹</i>
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³</i>

¹ Effective for annual periods beginning on or after 1 January 2024.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after a date to be determined.

The Group will apply the above new standards and amendments to existing standards when they become effective. The Group anticipates that the application of the above new standards and amendments to existing standards have no material impact on the results and the financial position of the Group.

(c) *Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) — Long Service Payment (“LSP”) offsetting mechanism in Hong Kong*

The Company and several subsidiaries of the Group are operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee’s accrued retirement benefits derived from employers’ MPF contributions was allowed under the Employment Ordinance (Cap.57).

In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”) which abolishes the use of the accrued benefits derived from employers’ mandatory MPF contributions to offset severance payment and LSP (the “Abolition”). The Abolition will officially take effect on 1 May 2025 (the “Transition Date”). In addition, under the Amendment Ordinance, the last month’s salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

The application of amendments in the current year had no material impact on the consolidated financial statements.

3. REVENUE

An analysis of the Group's revenue for the years ended 31 March 2024 and 2023 are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Service income from provision of financial information services	212	222
Advertising and investor relationship service income	12,018	11,366
Commission from brokerage and underwriting services	6	10
Rental income from investment properties	<u>1,197</u>	<u>1,266</u>
	<u>13,433</u>	<u>12,864</u>
Revenue from contracts with customers		
— Service income from provision of financial information services	212	222
— Advertising and investor relationship service income	12,018	11,366
— Commission from brokerage and underwriting services	<u>6</u>	<u>10</u>
	<u>12,236</u>	<u>11,598</u>
<i>Represented by:</i>		
Timing of revenue recognition		
— At a point in time	12,024	11,376
— Over time	<u>212</u>	<u>222</u>
	<u>12,236</u>	<u>11,598</u>
Revenue from other sources		
— Rental income from investment properties	<u>1,197</u>	<u>1,266</u>
	<u>13,433</u>	<u>12,864</u>

4. OTHER INCOME AND OTHER NET LOSSES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income from bank deposits	27	7
Income from sharing of administrative expenses	9,077	8,949
Gain on disposal of subsidiaries	—	51
Fair value changes on investment properties	(3,360)	(2,240)
Gain on disposal of property, plant and equipment, net	152	—
Government grants (<i>Note (a)</i>)	395	624
Sundry income	331	55
	<u>6,622</u>	<u>7,446</u>

Note:

- (a) The amounts recognised were primarily related to the government subsidies granted by the Government of the Hong Kong Special Administrative Region under Technology Voucher Programme for the year ended 31 March 2024 (2023: Employment Support Scheme). There were no unfulfilled conditions and other contingencies attaching to these grants.

5. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company (the “Executive Directors”). The Executive Directors have reviewed the Group’s internal reports in order to assess the performance and allocate resources; they have also determined the operating segments based on these reports. The Executive Directors have further considered the business from product perspective and have assessed the performance of four business segments: (i) financial information, advertising and investor relationship service business; (ii) securities business; (iii) money lending business and (iv) property investment business.

At 31 March 2024 and 2023, the details of the four operating segments are as below:

- (i) financial information, advertising and investor relationship service business — the development, production and provision of financial information service and technology solutions to corporate and retail clients in Hong Kong and the PRC; this segment also include results of the media business, providing advertising, investor relationship and branding promotion and communication service;
- (ii) securities business that specializes in the provision of brokerage, underwriting and asset management services;
- (iii) money lending business; and
- (iv) property investment business.

The segment results for the year ended 31 March 2024 are as follows:

	Financial information, advertising and investor relationship service business HK\$'000	Securities business HK\$'000	Money lending business HK\$'000	Property investment business HK\$'000	Group HK\$'000
Gross revenue	<u>12,230</u>	<u>6</u>	<u>—</u>	<u>1,197</u>	<u>13,433</u>
Revenue from external customers	<u>12,230</u>	<u>6</u>	<u>—</u>	<u>1,197</u>	<u>13,433</u>
Segment results	(3,633)	(2,258)	(8)	(3,238)	(9,137)
Finance costs					<u>(160)</u>
Loss before income tax					(9,297)
Income tax credit					<u>2,016</u>
Loss for the year					<u><u>(7,281)</u></u>
Other segment items included in the consolidated statement of profit or loss are as follows:					
Interest income from bank deposits	27	—	—	—	27
Provision for impairment loss of trade receivables	(3,731)	—	—	—	(3,731)
Impairment loss of intangible assets	—	(950)	—	—	(950)
Provision for impairment loss of amounts due from related companies	(889)	—	—	—	(889)
Depreciation of property, plant and equipment	(262)	(1)	—	—	(263)
Depreciation of right-of-use assets	<u>(3,889)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3,889)</u>

The segment results for the year ended 31 March 2023 are as follows:

	Financial information, advertising and investor relationship service business <i>HK\$'000</i>	Securities business <i>HK\$'000</i>	Money lending business <i>HK\$'000</i>	Property investment business <i>HK\$'000</i>	Group <i>HK\$'000</i>
Gross revenue	<u>11,588</u>	<u>10</u>	<u>—</u>	<u>1,266</u>	<u>12,864</u>
Revenue from external customers	<u>11,588</u>	<u>10</u>	<u>—</u>	<u>1,266</u>	<u>12,864</u>
Segment results	(12,264)	(2,429)	(5)	(2,264)	(16,962)
Finance costs					<u>(616)</u>
Loss before income tax					(17,578)
Income tax credit					<u>1,344</u>
Loss for the year					<u><u>(16,234)</u></u>
Other segment items included in the consolidated statement of profit or loss are as follows:					
Interest income from bank deposits	7	—	—	—	7
Provision for impairment loss of trade receivables	(3,257)	—	—	—	(3,257)
Provision for impairment loss of amounts due from related companies	(1,119)	—	—	—	(1,119)
Impairment loss of goodwill	(17)	—	—	—	(17)
Depreciation of property, plant and equipment	(510)	(3)	—	—	(513)
Depreciation of right-of-use assets	<u>(3,841)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(3,841)</u>

Segment revenue reported above represented revenue generated from external customers. There were no inter-segment sales during the year ended 31 March 2024 (2023: nil).

Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment.

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

The segment assets and liabilities at 31 March 2024 and capital expenditure for the year then ended are as follows:

	Financial information, advertising and investor relationship service business HK\$'000	Securities business HK\$'000	Money lending business HK\$'000	Property investment business HK\$'000	Group HK\$'000
Assets	<u>34,865</u>	<u>5,077</u>	<u>40</u>	<u>26,132</u>	<u>66,114</u>
Liabilities	<u>13,219</u>	<u>180</u>	<u>—</u>	<u>8,873</u>	<u>22,272</u>
Capital expenditure	<u>142</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>142</u>

The segment assets and liabilities at 31 March 2023 and capital expenditure for the year then ended are as follows:

	Financial information, advertising and investor relationship service business HK\$'000	Securities business HK\$'000	Money lending business HK\$'000	Property investment business HK\$'000	Group HK\$'000
Assets	<u>27,655</u>	<u>5,804</u>	<u>48</u>	<u>28,593</u>	<u>62,100</u>
Liabilities	<u>31,792</u>	<u>433</u>	<u>—</u>	<u>10,821</u>	<u>43,046</u>
Capital expenditure	<u>93</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>93</u>

The Group mainly operates in Hong Kong and the PRC.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue		
Hong Kong	11,701	11,204
The PRC	<u>1,732</u>	<u>1,660</u>
	<u><u>13,433</u></u>	<u><u>12,864</u></u>

Revenue is allocated based on the country/territory in which the customer is located.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Total assets		
Hong Kong	40,263	31,828
The PRC	<u>25,851</u>	<u>30,272</u>
	<u><u>66,114</u></u>	<u><u>62,100</u></u>

Total assets are allocated based on where the assets are located.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets		
Hong Kong	5,524	3,669
The PRC	<u>24,127</u>	<u>28,317</u>
	<u><u>29,651</u></u>	<u><u>31,986</u></u>

Non-current assets are allocated based on where the assets are located.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Customer A ¹	3,143	N/A ²
Customer B ¹	3,000	3,000
Customer C ¹	<u>N/A²</u>	<u>2,500</u>

¹ Revenue from financial information, advertising and investor relationship service business.

² The corresponding revenue did not contribute over 10% of the total revenue of the Group.

6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest expense on borrowing	—	488
Interest expense on lease liabilities	<u>160</u>	<u>128</u>
	<u><u>160</u></u>	<u><u>616</u></u>

7. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Expenses related to short-term leases payments		
— in respect of rented premises	290	789
Employee benefits expense (including directors' emoluments)	13,595	18,172
Provision for impairment loss of trade receivables	3,731	3,257
Provision for impairment loss of amounts due from related companies	889	1,119
Impairment loss of intangible assets	950	—
Loss on disposal of property, plant and equipment	—	100
Impairment loss of goodwill	—	17
Depreciation of property, plant and equipment	263	513
Depreciation of right-of-use assets	3,889	3,841
Direct operating expenses arising on rental-earning investment properties	120	127
Auditors' remuneration		
— Audit service	<u>500</u>	<u>600</u>

8. INCOME TAX CREDIT

Under the two-tiered profits tax rates regime of Hong Kong, the first HK\$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Regulations on the Implementation of the EIT Law in the PRC, the applicable tax rate of the PRC subsidiaries is 25%.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Deferred tax:	<u>(2,016)</u>	<u>(1,344)</u>
Income tax credit	<u><u>(2,016)</u></u>	<u><u>(1,344)</u></u>

No provision for taxation in Hong Kong has been made as the Group has no assessable profits for both years ended 31 March 2024 and 2023 except for two subsidiaries of the Group that no provision for taxation in Hong Kong has been made as the subsidiaries have sufficient tax losses brought forward to set off against the assessable profits for both years ended 31 March 2024 and 2023.

No provision for Mainland China corporate income tax has been made as the Group did not have any assessable profits arising for both years ended 31 March 2024 and 2023.

9. DIVIDENDS

No dividend was paid or proposed in respect of the year ended 31 March 2024 (2023: nil) nor has any dividend been proposed since the end of the reporting period.

10. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company over the weighted average number of ordinary shares in issue during the year.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (adjusted)
Loss attributable to owners of the Company	<u>8,497</u>	<u>16,341</u>
Weighted average number of ordinary shares in issue ('000) (Note)	<u>937,888</u>	<u>785,257</u>
Basic loss per share (<i>HK\$</i>)	<u>(0.01)</u>	<u>(0.02)</u>

(b) Diluted

Share options of the Company are not dilutive as the exercise prices were higher than the share prices of the Company's shares during the years ended 31 March 2024 and 2023.

The diluted loss per share is equal to the basic loss per share during the years ended 31 March 2024 and 2023.

Note:

During the year, the Company completed the rights issue of 333,269,387 rights shares at the subscription price of HK\$0.10 on the basis of 1 right shares for every 2 existing shares held by the qualifying shareholders (Note 13).

The weighted average number of 937,888,124 ordinary shares for the year of 2024 was derived from ordinary shares in issue as at 1 April 2023 after taking into account the effects of rights issue abovementioned. The weighted average number of ordinary shares for the purposes of basic loss per share for the year of 2023 has been correspondingly adjusted.

11. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables (<i>Note (i)</i>)	15,573	12,476
Less: Provision for impairment loss of trade receivables	<u>(9,737)</u>	<u>(6,854)</u>
	<u>5,836</u>	<u>5,622</u>

Note:

- (i) As at 31 March 2024, trade receivables of approximately HK\$4,981,000 (2023: HK\$4,981,000) related to the Group's related company which is beneficially owned by Ms. LO, the director and the ultimate controlling shareholder of the Group.

The credit terms granted by the Group to its customers range from 10 days to 90 days from the date of billing. At 31 March 2024 and 2023, the aging analysis of the trade receivables are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	852	2,974
31–60 days	—	—
61–90 days	—	19
Over 90 days	<u>4,984</u>	<u>2,629</u>
	<u>5,836</u>	<u>5,622</u>

The credit loss allowance for trade receivables as at 31 March 2024 and 2023 as follows:

	<i>HK\$'000</i>
As at 1 April 2022	3,620
Increase in loss allowance recognised in profit or loss during the year	3,257
Exchange adjustments	<u>(23)</u>
As at 31 March 2023 and 1 April 2023	<u>6,854</u>
Increase in loss allowance recognised in profit or loss during the year	3,731
Uncollectible amount written off	(827)
Exchange adjustments	<u>(21)</u>
As at 31 March 2024	<u>9,737</u>

12. ACCOUNTS PAYABLE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accounts payable arising from securities broking		
— Clients	168	186
Other accounts payable	<u>2,627</u>	<u>1,604</u>
Accounts payable	<u><u>2,795</u></u>	<u><u>1,790</u></u>

The settlement terms of accounts payable arising from securities broking are one or two trade days after the trade execution date.

At 31 March 2024 and 2023, the aging analysis of the other accounts payable were as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	86	—
31–60 days	103	—
61–90 days	63	—
Over 90 days	<u>2,375</u>	<u>1,604</u>
	<u><u>2,627</u></u>	<u><u>1,604</u></u>

13. SHARE CAPITAL

	2024		2023	
	Number of shares	Amount <i>HK\$'000</i>	Number of shares	Amount <i>HK\$'000</i>
Authorised:				
Ordinary shares of HK\$0.01 each	<u>15,000,000,000</u>	<u>150,000</u>	<u>15,000,000,000</u>	<u>150,000</u>
Issued and fully paid:				
At the beginning of the year	666,538,774	6,665	666,538,774	6,665
Issue of shares upon rights issue (note)	<u>333,269,387</u>	<u>3,333</u>	<u>—</u>	<u>—</u>
At the end of the year	<u><u>999,808,161</u></u>	<u><u>9,998</u></u>	<u><u>666,538,774</u></u>	<u><u>6,665</u></u>

Note:

On 14 April 2023, the Company announced a rights issue (“Rights Issue”) on the basis of one rights share for every two existing shares held by shareholders of the Company at a subscription price of HK\$0.10 per rights share. The Rights Issue was completed on 17 July 2023 and 333,269,387 ordinary shares was issued before 31 March 2024. The gross proceeds from the Rights Issue was HK\$33,327,000. Details of the Rights Issue were disclosed in the prospectus of the Company dated 28 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Financial Information, Advertising and Investor Relationship Service Business

The service income generated from advertising and investor relationship business continues to be the major source of revenue of our Group.

Service income from provision of financial information service business was relatively insignificant in recent years.

Media Business

In addition to the production and distribution of programmes through the branding “FinTV”, the Group also engaged in investor relationship business and creative advertising. For the purpose of segment reporting in this annual results, the results of the media business has been included in the “Financial information, advertising and investor relationship service business” segment.

Securities Brokerage and Assets Management Business

The Group through its wholly-owned subsidiary, Finet Securities Limited, holds licence under the SFC (“Licence”), to engage in Type 1, 4 and 9 regulated activities. The Group focuses on securities brokerage, underwriting and asset management businesses.

The revenue from such business for the year ended 31 March 2024 was approximately HK\$6,000 (2023: approximately HK\$10,000).

Property Investment Business

The investment properties in the PRC continued to provide income and result a positive contribution to the financial results of the Group.

Money Lending Business

The Group holds Money Lenders Licence to engage in money lending business for providing loan and financing to customers. In order to minimize the default risk of loan receivable, we need to tighten our internal works of credit control measurement. The difficulties in granting loan became higher and relevant income is insignificant in recent years. During the Reporting Period under review, no new loan was granted by the Group (2023: nil) and no interest income (2023: nil) during the year ended 31 March 2024.

FINANCIAL REVIEW

Revenue of the Group remained stable at approximately HK\$13,433,000 for the year ended 31 March 2024 and approximately HK\$12,864,000 for the year ended 31 March 2023.

Other income and other net losses of the Group for the year ended 31 March 2024 was approximately HK\$6,622,000 (2023: approximately HK\$7,446,000). The decrease was mainly due to increase of loss in fair value changes on investment properties of approximately HK\$3,360,000 (2023: loss of approximately HK\$2,240,000).

Employee benefits expenses of the Group for the year ended 31 March 2024 was approximately HK\$13,595,000 (2023: approximately HK\$18,172,000), which represented a decrease of approximately 25.2% as compared to the Previous Corresponding Period.

Other operating expenses of the Group for the year ended 31 March 2024 was approximately HK\$5,829,000 (2023: approximately HK\$10,319,000), which represented a decrease of approximately 43.5% as compared to the Previous Corresponding Period.

Finance costs for the year ended 31 March 2024 were approximately HK\$160,000 (2023: approximately HK\$616,000), which represented a decrease of approximately 74.0% as compared to the Previous Corresponding Period. The decrease mainly due to no borrowing interest expenses.

Hong Kong taxation expense for the year ended 31 March 2024 was nil (2023: nil). The deferred tax credit of approximately HK\$2,016,000 (2023: deferred tax credit of approximately HK\$1,344,000) was mainly attributable to investment properties in the PRC and properties, plant and equipment in Hong Kong during the Reporting Period.

Loss after tax for the year ended 31 March 2024 was approximately HK\$7,281,000 (2023: loss after tax approximately HK\$16,234,000). The decrease in loss for the year ended 31 March 2024 was mainly attributable to reasons as analysed above.

Profit attributable to non-controlling interests of approximately HK\$1,216,000 in 2024 (2023: approximately HK\$107,000) represented its share of profit or loss in the group of Xian Dai TV which principally engages in media and financial PR business.

The consolidated loss attributable to owners of the Company for the year ended 31 March 2024 was approximately HK\$8,497,000 (2023: approximately HK\$16,341,000).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

	As at 31 March		change
	2024	2023	
	HK\$'000	HK\$'000	
Net current assets	21,695	18,807	15.4%
Total assets	66,114	62,100	6.5%
Total liabilities	22,272	43,046	(48.3)%
Total equity	43,842	19,054	130.1%
Cash and cash equivalents	8,551	8,022	6.6%
Loan from a shareholder	3,600	24,018	(85.0)%
Debts to equity ratio (<i>Note 1</i>)	(0.5x)	(2.3x)	(78.3)%
Gearing ratio (<i>Note 2</i>)	—	98%	N/A

Notes:

1. Debts to equity ratio is calculated based on total liabilities divided by total equity.
2. Gearing ratio is calculated based on net debt (bank borrowings plus loan from a shareholder less cash and cash equivalents) divided by total equity.

The capital of the Company comprises of only ordinary shares. There is no material change in the capital structure during the year.

COMMITMENT

As at 31 March 2024 and 31 March 2023, the Group had not incurred any capital commitment.

SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed in note 5 to the consolidated financial statement.

CONTINGENT LIABILITIES

During the year ended 31 March 2008, three libel actions were brought by a company and an individual (collectively the “Plaintiffs A”) against the Group in respect of the publication of words alleged to be defamatory and concerning articles published on the Group’s website in 2007. The Plaintiffs A sought, among other things, injunctive relief and unliquidated damages. The Executive Directors of the Company are of the opinion that the Group has a meritorious defense against such claims and therefore filed defense on 13 November 2007 and 9 April 2008 against all three libel actions consecutively. No further steps have been taken by the Plaintiffs A since the filing of the defense.

During the year ended 31 March 2022, a writ of summons by a company and a statement of claim were filed by a company (the “Plaintiff B”) on 10 October 2021 and 18 January 2022 respectively, the Plaintiff B commenced high court action 1578 of 2021 against the Group alleging the Group having published/participated in the publication of defamatory statements against it. The Group has filed a defense on 19 April 2022 and the Plaintiff B has filed their reply on 27 July 2022. No further steps have been taken by Plaintiff B since the filing of the reply.

Accordingly, the Executive Directors of the Company are of the opinion that these claims would not have any material adverse effect on the Group, and no provisions have been made in the consolidated financial statements in respect thereof.

SIGNIFICANT INVESTMENT HELD, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the year ended 31 March 2024 and 2023, the Group did not have any other significant investments or material acquisitions or disposals.

CHARGES OF ASSETS

As at 31 March 2024, the Group has no charges of assets (2023: property, plant and equipment and investment properties with an aggregate carrying value of approximately HK\$27,260,000 was pledged as security for the borrowing facilities of the Group).

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The Group holds investment properties which income are denominated in RMB. The Group is therefore exposed to currency risks, as the value of the assets will fluctuate due to change in exchange rates.

EMPLOYEES AND REMUNERATION

The Group had 52 (2023: 58) full-time employees (including directors) in Hong Kong and the PRC as at 31 March 2024.

During the Reporting Period, the Group incurred total employee benefits expenses (including Directors’ emoluments) of approximately HK\$13,595,000 (2023: approximately HK\$18,172,000).

Employees’ remuneration are determined in accordance with their experiences, competence, qualifications and nature of duties and the current market trend. Apart from the basic salary, commission, discretionary bonus or other incentives are offered to employees to reward their performance and contributions.

The emoluments of the Directors are decided by their individual performance, their responsibilities and the current market rate.

The Company has adopted a share option scheme under which the Company may grant options to Directors and eligible employees to subscribe the shares of the Company.

DIVIDEND

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

DISCLOSURE UNDER CHAPTER 17 OF THE GEM LISTING RULES

The Directors confirmed that they were not aware of any circumstances which would give rise to disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

PROSPECT

We will continue to allocate our resources to strengthen our leading position in providing financial news services. With our competitive edge and strength arising from our integrated multiple platforms in our three vertical websites and two mobile App (Finet.hk, FinTV.hk, Finet.com.cn, FinTV APP, Finet Finance Pro APP), we can achieve a further improvement in our market share in the media industry in China and Hong Kong, and further strengthen our Digital marketing business development.

We will continue to strengthen our sales and marketing team to boost and diversify the Group revenue. Moreover, FinTV is expected to provide strong support to our investor relationship business (“IR business”). IR business is expected to become our profitable stream of the Group in the coming years. IR business will both cover the listed companies and pre-IPO assignments. The services that we have been providing include the followings: (1) production of promotional videos; (2) arrangement of press conferences and celebration events; (3) arrangement of investor meetings; (4) preparing of investor relationship articles; (5) news distribution for the listed companies and pre-IPO assignments; and (6) online results announcement.

Our outstanding FinTV production team will continue to support the growth and expansion of our IR business.

The Group continues to host the TOP 100 HK Listed Companies Selection events that created a strong foundation for us to develop the event management business and to achieve lots of reputation and recognition in China including Hong Kong.

Meanwhile, Finet Securities Limited (“Finet Securities”), our securities arm, continues to expand our services including discretionary portfolio management, investment advisory and management of private funds. Finet Securities is expected to generate satisfactory management fee and performance fee income from fund management business in near future.

EVENTS AFTER REPORTING PERIOD

The Group does not have any significant events after the reporting period and up to the date of this announcement.

USE OF PROCEEDS FROM RIGHTS ISSUE

References are made to the announcement of the Company dated 14 April 2023, 25 April 2023, 4 May 2023, 16 June 2023, 27 June 2023, 13 July 2023, 20 July 2023 and 26 July 2023 and the circular of the Company dated 24 May 2023.

The net proceeds (after deducting the expenses, Rights Shares Set-off and Underwritten shares Set-off) were approximately HK\$22.5 million. During the year ended 31 March 2024, the Company had applied the net proceeds according to the disclosure as set out in the announcement dated 20 July 2023.

Details of the use of the net proceeds from the Rights Issue for the year ended 31 March 2024 are as follows:

	Planned use of net proceeds as stated in the Announcement (HK\$'000)	Actual use of net proceeds up to 31 March 2024 (HK\$'000)	Net proceeds utilised during the year ended 31 March 2024 (HK\$'000)	Unutilised net proceeds as at 31 March 2024 (HK\$'000)
Repayment of the Shareholder's loan	12,500	12,500	12,500	—
Expansion of the IR business in Hong Kong and the PRC	9,000	9,000	9,000	—
General working capital	1,000	1,000	1,000	—
Total	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>	<u>—</u>

CORPORATE GOVERNANCE PRACTICE

The Board is committed to maintaining a high standard of corporate governance. The corporate governance principles of the Company emphasize a quality board, sound internal control, transparency and accountability to all shareholders.

The Board has reviewed the Company's corporate governance practices and is of the opinion that the Company has met the provisions set out in the Corporate Governance Code ("CG Code"), contained in Appendix C1 to the GEM Listing Rules during the year ended 31 March 2024, except for the following deviation:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be the same individual. Ms. LO Yuk Yee is the chairman of the Company since 25 January 2011.

The Company has not arranged insurance cover in respect of legal action against its directors as the Board considers that the Board adopts prudent management policy. The needs for insurance policy will be reviewed from time to time.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.68 of the GEM Listing Rules in respect of directors' securities transactions ("Required Standard Dealing").

Specific enquiry has been made with all the Directors and the Directors have confirmed that they have complied with the Required Standard Dealing throughout the year ended 31 March 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of the annual report, the Company has maintained a sufficient public float required under the GEM Listing Rules.

AUDIT COMMITTEE

The Company established an Audit Committee pursuant to Rule 5.28 to 5.33 of the GEM Listing Rules. Written terms of reference in compliance with code provision D.3 of the CG code as set out in Appendix C1 to the GEM Listing Rules has been adopted. The primary duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting system, the risk management and internal control systems, effectiveness of the internal audit function, scope of audit and relationship with external independent auditor, and arrangements that enable employees of the Company to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters of the Company and performing the Company's corporate governance functions. As at the date of this announcement, the Audit Committee of our Company consists of three members who are Mr. Wong Wai Kin, Mr. Wong Kwok Yin and Mr. Yuk Kai Yao. Mr. Wong Wai Kin is the chairman of the Audit Committee. The Audit Committee has reviewed the consolidated financial statements and the annual results of the Group for the year ended 31 March 2024.

SCOPE OF WORK OF CROWE (HK) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Crowe (HK) CPA Limited on the preliminary announcement.

PUBLICATION OF 2024 ANNUAL REPORT

The annual report of the Group for the year ended 31 March 2024 will be despatched to the Shareholders who requested printed copies and will be available on the respective websites of the Stock Exchange and the Company in due course.

By order of the Board
Finet Group Limited
LO Yuk Yee
Chairman and Executive Director

Hong Kong, 28 June 2024

As at the date of this announcement, the executive Directors of the Company are Ms. Lo Yuk Yee and Mr. Tai Kwok Leung, Alexander; and the independent non-executive Directors of the Company are Mr. Wong Wai Kin, Mr. Wong Kwok Yin and Mr. Yuk Kai Yao.

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

This announcement will remain on the “Latest Listed Company Information” page on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least 7 days from the day of its publication. This announcement will also be published on the Company’s website at www.finet.hk.