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MODERN INNOVATIVE DIGITAL TECHNOLOGY COMPANY LIMITED

新質數字科技有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 2322)

**ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 MARCH 2025**

The board (the “Board”) of directors (the “Directors”) of Modern Innovative Digital Technology Company Limited (formerly known as Hong Kong ChaoShang Group Limited) (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (together, the “Group”) for the year ended 31 March 2025, together with comparative audited figures for the previous financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2025

	<i>Note</i>	2025 HK\$'000	2024 HK\$'000
Revenue	3	73,706	144,950
Cost of sales		<u>(53,195)</u>	<u>(112,283)</u>
Gross profit		20,511	32,667
Other income	5	3,930	5,841
(Impairment loss)/Reversal of impairment loss on finance lease receivables		(4,153)	3,376
Impairment loss on trade and account receivables		(25,387)	(27,462)
(Impairment loss)/Reversal of impairment loss on factoring receivables		(607)	43
Impairment loss on loan and interest receivables		(15,759)	(14,159)
Impairment loss on deposits and other receivables		(6,941)	(6,846)
Loan and interest receivables written off		–	(4,407)
Loss on changes in fair value of investment property		–	(763)
Impairment loss on intangible assets		(5,025)	(11,275)
Gain/(Loss) on changes in fair value of held-for-trading investments		12,653	(3,474)
(Loss)/Gain on disposal of held-for-trading investments		(637)	10,815
Loss on disposal of interest in an associate		–	(5,868)
Loss on de-registration of a subsidiary		–	(10,579)
Administrative expenses		<u>(62,121)</u>	<u>(55,497)</u>
Operating loss		(83,536)	(87,588)
Finance costs		(281)	(793)
Share of results of an associate		<u>–</u>	<u>(3,386)</u>
Loss before taxation	6	(83,817)	(91,767)
Taxation	7	<u>(5,146)</u>	<u>4,204</u>
Loss for the year		<u><u>(88,963)</u></u>	<u><u>(87,563)</u></u>

	Note	2025 HK\$'000	2024 HK\$'000
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
– Share of other comprehensive income of an associate		–	5
– Exchange differences arising on translation of foreign operations		509	(31,909)
– Realisation of exchange reserve and derecognition of non-controlling interests upon de-registration of a subsidiary		–	10,199
– Realisation of exchange reserve upon disposal of interest in an associate		–	(42)
		<u>509</u>	<u>(21,747)</u>
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
– Gain on revaluation of owner-occupied property upon transfer to investment property		5,746	–
– Deferred tax liabilities on recognition of revaluation of owner-occupied property upon transfer to investment property		(1,436)	–
		<u>4,310</u>	<u>–</u>
Total comprehensive loss for the year		<u>(84,144)</u>	<u>(109,310)</u>
Loss for the year attributable to:			
Owners of the Company		(88,963)	(87,432)
Non-controlling interests		–	(131)
Loss for the year		<u>(88,963)</u>	<u>(87,563)</u>
Total comprehensive (loss)/income for the year attributable to:			
Owners of the Company		(84,144)	(122,138)
Non-controlling interests		–	12,828
Total comprehensive loss for the year		<u>(84,144)</u>	<u>(109,310)</u>
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted	9	<u>(2.16) cents</u>	<u>(2.12) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

		2025	2024
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		3,976	31,482
Investment property		71,820	37,044
Right-of-use assets		1,616	8,363
Intangible assets		500	5,525
Goodwill		1,000	1,000
Other non-current assets		205	230
Loan and interest receivables	13	–	98,851
Deferred tax assets		11,934	21,690
		<u>91,051</u>	<u>204,185</u>
Current assets			
Trade and account receivables	10	242,184	230,675
Factoring receivables	11	18,322	18,449
Finance lease receivables	12	19,294	22,051
Loan and interest receivables	13	160,078	65,586
Deposits, prepayments and other receivables		46,871	68,695
Tax recoverable		203	203
Held-for-trading investments		22,979	12,957
Net investment in sublease		–	1,902
Cash held on behalf of clients		16,579	13,815
Cash and bank balances		59,845	129,045
		<u>586,355</u>	<u>563,378</u>
Total assets		<u>677,406</u>	<u>767,563</u>
EQUITY			
Capital and reserves			
Share capital		82,412	82,412
Reserves		557,229	641,373
Total equity		<u>639,641</u>	<u>723,785</u>

		2025	2024
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		1,221	–
Deferred tax liabilities		1,861	1,254
		3,082	1,254
Current liabilities			
Trade and account payables	14	16,978	13,909
Lease liabilities		505	10,705
Accruals, other payables and deposit received		10,714	8,491
Amount due to a Director		306	70
Tax payables		6,180	9,349
		34,683	42,524
Total liabilities		37,765	43,778
Total equity and liabilities		677,406	767,563
Net current assets		551,672	520,854
Total assets less current liabilities		642,723	725,039

1 GENERAL INFORMATION

Modern Innovative Digital Technology Company Limited (formerly known as Hong Kong ChaoShang Group Limited) (the “Company”) is a limited liability company incorporated in Bermuda and listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company’s registered office is located at Clarendon House, 2 Church Street, Hamilton II, Bermuda. The principal place of business in Hong Kong is situated at Suite 2206-10, 22nd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in trading, money lending, factoring, finance leasing and financial services businesses.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) unless otherwise stated. These consolidated financial statements have been approved for issue by the Board on 26 June 2025.

2 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These consolidated financial statements have been prepared under the historical cost convention, except for investment property and held-for-trading investments that have been measured at fair value.

These consolidated financial statements have been prepared on a going concern basis notwithstanding that the Group incurred a loss of approximately HK\$88,963,000 for the year ended 31 March 2025. The directors have carefully reviewed the Group’s cash position as at the end of the reporting period and the cash flow forecast prepared by the management for at least the next twelve months from the date of this report. The directors are therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 to the consolidated financial statements in the annual report.

(i) ***Adoption of amendments to standards and interpretations***

The Hong Kong Institute of Certified Public Accountants has issued a number of amendments to standards and interpretations that are first effective for the current accounting period of the Group:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HK Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments listed above in the current year has had no material effect on the Group's financial performance and positions for the current and prior year.

(ii) ***New standards, interpretation and amendments that have been issued but are not yet effective***

The following new standard, interpretations and amendments have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ¹
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity ²
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

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

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ The amendments shall be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined.

The Group is currently assessing the effect of these new accounting standards and amendments, other than as explained below, the management did not anticipate these new accountings and amendments will have material impact to the Group.

HKFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the HKICPA in July 2024 supersedes HKAS 1 and will result in major consequential amendments to HKFRS Accounting Standards including HKAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though HKFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

(iii) Changes in accounting policy on offsetting arrangement in long service payment scheme in Hong Kong

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

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

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

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employees first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a).

The abovementioned change in accounting policy does not have material impact to the financial statements of the current and prior years.

3 REVENUE

Revenue represents (i) net invoiced value of goods sold, after allowances for returns and trade discount; (ii) interest income from money lending, factoring, finance leasing and margin financing; (iii) brokerage commission income from securities dealing and (iv) underwriting and placing commission income.

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

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Sales of goods	53,674	113,181
Interest income from money lending, factoring, finance leasing and margin financing	18,957	28,946
Brokerage commission income	474	1,068
Underwriting and placing commission income	601	1,755
	<u>73,706</u>	<u>144,950</u>

Revenue from contracts with customers within HKFRS 15:

Recognised at a point of time

Sales of goods	53,674	113,181
Brokerage commission income	474	1,068
Underwriting and placing commission income	601	1,755
	<u>54,749</u>	<u>116,004</u>

Revenue from other sources:

Interest income from money lending, factoring, finance leasing and margin financing calculated using effective interest method	18,957	28,946
	<u>73,706</u>	<u>144,950</u>

4 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board of the Company. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group's operating businesses are structured and managed separately according to the nature of the operations. Each of the Group's reportable segments represents a strategic business unit that is subject to risks and returns that are different from other reportable operating segment.

The Group's reportable and operating segments are as follows:

- Trading segment engages in trading of goods in the PRC and Hong Kong;
- Money lending and factoring segment engages in provision of loan financing in Hong Kong, loan and factoring financing in the PRC;
- Finance leasing segment engages in provision of finance leasing and sale-leaseback in the PRC; and
- Financial services segment engages in provision of securities dealing broking, placing, underwriting, margin financing and asset management services in Hong Kong.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/loss represents the profit/loss earned by each segment without allocation of incomes or expenses which are not recurring in nature and unrelated to the Group's operating performance, including central administration costs, Directors' emoluments, changes in fair value of investment property, changes in fair value of held-for-trading investments, gain/loss on disposal of held-for-trading investments, gain/loss on disposal of interest in an associate, gain/loss on de-registration and disposal of subsidiaries, share of results of an associate, finance costs, impairment loss on deposits and other receivables (non-trading nature), exchange gain/loss, dividend income, rental income, sublease interest income and interest income from cash and bank balances.

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to operating segments other than investment property, held-for-trading investments, net investment in sublease, cash and bank balances, tax recoverable, deferred tax assets and other corporate assets. All liabilities are allocated to operating segments other than amount due to a Director, tax payables, deferred tax liabilities and other corporate liabilities.

The Board assesses the performance of the operating segments based on their underlying operating results, which is measured by results before taxation.

(a) Segment revenue and results

	Year ended 31 March 2025				
	Trading	Money lending and factoring	Finance leasing	Financial services	Total
Segment revenue and results	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	53,674	12,915	3,717	3,400	73,706
Segment results	(28,040)	(11,217)	(2,893)	(25,215)	(67,365)
Impairment loss on intangible assets	—	—	—	(5,025)	(5,025)
	<u>(28,040)</u>	<u>(11,217)</u>	<u>(2,893)</u>	<u>(30,240)</u>	(72,390)
Corporate expenses					(26,528)
Operating loss					(98,918)
Corporate income					3,225
Gain on changes in fair value of held-for-trading investments					12,653
Loss on disposal of held-for-trading investments					(637)
Finance costs					(140)
Loss before taxation					(83,817)
Taxation					(5,146)
Loss for the year					<u>(88,963)</u>

Year ended 31 March 2024					
Segment revenue and results	Trading HK\$'000	Money lending and factoring HK\$'000	Finance leasing HK\$'000	Financial services HK\$'000	Total HK\$'000
Segment revenue	113,181	16,831	8,940	5,998	144,950
Segment results	(29,802)	(7,865)	9,185	(20,266)	(48,748)
Impairment loss on intangible assets	–	–	–	(11,275)	(11,275)
	<u>(29,802)</u>	<u>(7,865)</u>	<u>9,185</u>	<u>(31,541)</u>	(60,023)
Corporate expenses					(23,424)
Operating loss					(83,447)
Corporate income					5,291
Loss on changes in fair value of investment property					(763)
Loss on changes in fair value of held-for-trading investments					(3,474)
Gain on disposal of held-for-trading investments					10,815
Loss on disposal of interest in an associate					(5,868)
Loss on de-registration of a subsidiary					(10,579)
Finance costs					(356)
Share of results of an associate					(3,386)
Loss before taxation					(91,767)
Taxation					4,204
Loss for the year					<u>(87,563)</u>

(b) Segment assets and liabilities

As at 31 March 2025					
	Trading	Money lending and factoring	Finance leasing	Financial services	Total
Segment assets	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current assets					
Property, plant and equipment	129	68	3,058	9	3,264
Intangible assets	–	–	–	500	500
Goodwill	–	–	1,000	–	1,000
Other non-current assets	–	–	–	205	205
	129	68	4,058	714	4,969
Current assets	231,108	178,547	20,121	38,104	467,880
	<u>231,237</u>	<u>178,615</u>	<u>24,179</u>	<u>38,818</u>	472,849
Unallocated:					
Cash and bank balances					59,845
Others					<u>144,712</u>
Total assets per statement of financial position					<u>677,406</u>
Segment liabilities	<u>769</u>	<u>897</u>	<u>1,652</u>	<u>17,494</u>	20,812
Unallocated:					
Amount due to a Director					306
Others					<u>16,647</u>
Total liabilities per statement of financial position					<u>37,765</u>

As at 31 March 2024					
Segment assets	Trading HK\$'000	Money lending and factoring HK\$'000	Finance leasing HK\$'000	Financial services HK\$'000	Total HK\$'000
Non-current assets					
Property, plant and equipment	516	470	29,339	131	30,456
Right-of-use assets	–	–	–	5,663	5,663
Intangible assets	–	–	–	5,525	5,525
Goodwill	–	–	1,000	–	1,000
Other non-current assets	–	–	–	230	230
Loan and interest receivables	–	98,851	–	–	98,851
	516	99,321	30,339	11,549	141,725
Current assets	217,376	84,550	25,624	41,789	369,339
	<u>217,892</u>	<u>183,871</u>	<u>55,963</u>	<u>53,338</u>	511,064
Unallocated:					
Net investment in sublease					1,902
Cash and bank balances					129,045
Others					<u>125,552</u>
Total assets per statement of financial position					<u>767,563</u>
Segment liabilities	<u>900</u>	<u>905</u>	<u>1,391</u>	<u>21,196</u>	24,392
Unallocated:					
Amount due to a Director					70
Others					<u>19,316</u>
Total liabilities per statement of financial position					<u>43,778</u>

(c) **Other segment information**

Other segment information	Year ended 31 March 2025					Total HK\$'000
	Trading HK\$'000	Money lending and factoring HK\$'000	Finance leasing HK\$'000	Financial services HK\$'000	Unallocated HK\$'000	
Depreciation of property, plant and equipment	(137)	(349)	(312)	(120)	(978)	(1,896)
Depreciation of right-of-use assets	–	–	–	(5,664)	(2,794)	(8,458)
Capital expenditure	–	–	(1,120)	–	(4,393)	(5,513)
Impairment loss on finance lease receivables	–	–	(4,153)	–	–	(4,153)
Impairment loss on trade and account receivables	(22,365)	–	–	(3,022)	–	(25,387)
Impairment loss on factoring receivables	–	(607)	–	–	–	(607)
Impairment loss on loan and interest receivables	–	(15,759)	–	–	–	(15,759)
Impairment loss on deposits and other receivables	–	–	–	–	(6,941)	(6,941)
Impairment loss on intangible assets	–	–	–	(5,025)	–	(5,025)
Gain on changes in fair value of held-for-trading investments	–	–	–	–	12,653	12,653
Loss on disposal of held-for- trading investments	–	–	–	–	(637)	(637)
Gain on disposal of a subsidiary	–	–	–	–	352	352
Dividend income	–	–	–	–	302	302
Bank interest income	–	–	–	–	848	848
Finance costs	–	–	–	(141)	(140)	(281)
Taxation	–	–	–	–	(5,146)	(5,146)

Other segment information	Year ended 31 March 2024					
	Trading HK\$'000	Money lending and factoring HK\$'000	Finance leasing HK\$'000	Financial services HK\$'000	Unallocated HK\$'000	Total HK\$'000
Depreciation of property, plant and equipment	(264)	(442)	(958)	(2,806)	(269)	(4,739)
Depreciation of right-of-use assets	–	–	–	(5,664)	(2,700)	(8,364)
Capital expenditure	(71)	–	–	(16)	(1,009)	(1,096)
Reversal of impairment loss on finance lease receivables	–	–	3,376	–	–	3,376
Impairment loss on trade and account receivables	(27,393)	–	–	(69)	–	(27,462)
Reversal of impairment loss on factoring receivables	–	43	–	–	–	43
Impairment loss on loan and interest receivables	–	(14,159)	–	–	–	(14,159)
Impairment loss on deposits and other receivables	–	–	(910)	–	(5,936)	(6,846)
Loans and interest receivables written off	–	(4,407)	–	–	–	(4,407)
Loss on changes in fair value of investment property	–	–	–	–	(763)	(763)
Impairment loss on intangible assets	–	–	–	(11,275)	–	(11,275)
Loss on changes in fair value of held-for-trading investments	–	–	–	–	(3,474)	(3,474)
Gain on disposal of held-for-trading investments	–	–	–	–	10,815	10,815
Loss on disposal of interest in an associate	–	–	–	–	(5,868)	(5,868)
Loss on de-registration of a subsidiary	–	–	–	–	(10,579)	(10,579)
Share of results of an associate	–	–	–	–	(3,386)	(3,386)
Bank interest income	–	–	–	–	751	751
Finance costs	–	–	–	(437)	(356)	(793)
Taxation	–	–	–	–	4,204	4,204
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

5 OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Bank interest income	848	751
Sublease interest income	48	135
Rental income	994	900
Dividend income	302	–
Gain on disposal of a subsidiary	352	–
Others	<u>1,386</u>	<u>4,055</u>
	<u>3,930</u>	<u>5,841</u>

6 LOSS BEFORE TAXATION

The Group's loss before taxation has been arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold	53,157	112,091
Salaries and wages included in administrative expenses:		
Directors' emoluments (including contribution to defined contribution plans)	6,639	5,163
Salaries, wages and other benefits (excluding Directors' emoluments)	18,411	18,022
Contribution to defined contribution plans (excluding Directors)	993	950
	<u>26,043</u>	<u>24,135</u>
Auditor's remuneration		
– Audit services	903	964
Depreciation of property, plant and equipment	1,896	4,739
Depreciation of right-of-use assets	8,458	8,364
Rental expenses in respect of short-term lease	327	298
Loss/(Gain) on disposal of property, plant and equipment	271	(2)
Impairment loss/(Reversal of impairment loss) on finance lease receivables	4,153	(3,376)
Impairment loss on trade and account receivables	25,387	27,462
Impairment loss/(Reversal of impairment loss) on factoring receivables	607	(43)
Impairment loss on loan and interest receivables	15,759	14,159
Impairment loss on deposits and other receivables	6,941	6,846
Loan and interest receivables written off	–	4,407
Loss on changes in fair value of investment property	–	763
Impairment loss on intangible assets	5,025	11,275
(Gain)/Loss on changes in fair value of held-for-trading investments	(12,653)	3,474
Loss/(Gain) on disposal of held-for-trading investments	637	(10,815)
Loss on disposal of interest in an associate	–	5,868
Loss on de-registration of a subsidiary	–	10,579
Gain on disposal of a subsidiary	352	–
Share of results of an associate	<u>–</u>	<u>3,386</u>

7 TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current income tax		
– Hong Kong profits tax	(3,277)	–
– PRC corporation income tax	(504)	2,640
	(3,781)	2,640
Deferred tax	8,927	(6,844)
Taxation expense/(credit)	<u>5,146</u>	<u>(4,204)</u>

Hong Kong profits tax

Under the two-tiered profits tax rates regime, Hong Kong profits tax has been provided at the rate of 8.25% on the first HK\$2,000,000 of the estimated assessable profits of the qualifying entity of the Group and 16.5% on the estimated assessable profits above HK\$2,000,000. The assessable profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime are continued to be taxed at a flat rate of 16.5%.

PRC corporate income tax

The PRC corporate income tax in respect of operations in the PRC is calculated at the applicable tax rates on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

8 DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 March 2025 (2024: Nil).

9 LOSS PER SHARE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loss attributable to shareholders	(88,963)	(87,432)
Weighted average number of ordinary shares, for the purposes of calculating basic loss per share (shares in thousands)	<u>4,120,600</u>	<u>4,120,600</u>
Basic and diluted loss per share	<u>HK(2.16) cents</u>	<u>HK(2.12) cents</u>

As there is no dilutive potential ordinary share outstanding as at 31 March 2025 and 2024, the diluted loss per share is equal to the basic loss per share.

10 TRADE AND ACCOUNT RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Receivables arising from securities broking business:		
– Loans to margin clients	42,266	44,660
– Clearing houses	405	1
	42,671	44,661
Less: Impairment loss	(31,521)	(28,499)
	11,150	16,162
Receivables arising from trading business	262,610	245,638
Less: Impairment loss	(31,576)	(31,125)
	231,034	214,513
Total trade and account receivables	242,184	230,675

No ageing analysis of cash clients account receivables and loans to margin clients is disclosed as in the opinion of the Directors, the ageing analysis is not meaningful in view of the nature of the cash clients account receivable arising from securities broking and the revolving margin loans.

An aged analysis of receivables arising from trading business, net of allowance for impairment, at the end of the reporting period, based on the date of invoice (or date of revenue recognition, if earlier), is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	–	16,871
31 to 60 days	21,757	19,899
61 to 90 days	–	–
91 to 180 days	11,641	2,653
More than 180 days	197,636	175,090
	231,034	214,513

The aged analysis of receivables arising from trading and asset management businesses that are not considered to be impaired is as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Neither past due nor impaired	21,757	39,157
Past due but not impaired		
0 to 30 days	–	–
31 to 90 days	11,641	21,540
91 to 180 days	25,475	27,487
more than 180 days	172,161	126,329
	<u>231,034</u>	<u>214,513</u>

11 FACTORING RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Factoring receivables	18,360	18,360
Interest receivables	1,120	639
	<u>19,480</u>	<u>18,999</u>
Less: Impairment loss	(1,158)	(550)
	<u>18,322</u>	<u>18,449</u>

The carrying amounts of the factoring receivables are denominated in RMB.

12 FINANCE LEASE RECEIVABLES

	Minimum finance lease receivables		Present value of minimum finance lease receivables	
	2025	2024	2025	2024
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Within one year	24,473	26,089	24,473	26,080
In the second to fifth years, inclusive	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
	24,473	26,089	24,473	26,080
Less: Unearned finance income	<u>—</u>	<u>(9)</u>	<u>N/A</u>	<u>N/A</u>
Present value of minimum finance lease receivables	24,473	26,080	24,473	26,080
Less: Impairment loss	<u>(5,179)</u>	<u>(4,029)</u>	<u>(5,179)</u>	<u>(4,029)</u>
	<u>19,294</u>	<u>22,051</u>	19,294	22,051
Less: Current portion of finance lease receivables			<u>(19,294)</u>	<u>(22,051)</u>
Non-current portion of finance lease receivables			<u><u>—</u></u>	<u><u>—</u></u>

The carrying amounts of the finance lease receivables are denominated in RMB.

13 LOAN AND INTEREST RECEIVABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loan receivables	156,063	176,908
Interest receivables	<u>31,236</u>	<u>32,267</u>
Loan and interest receivables	187,299	209,175
Less: Impairment loss	<u>(27,221)</u>	<u>(44,738)</u>
	<u>160,078</u>	<u>164,437</u>
Current portion of loan and interest receivables	160,078	65,586
Non-current portion of loan and interest receivables	<u>–</u>	<u>98,851</u>
	<u>160,078</u>	<u>164,437</u>
Analysed as:		
Within one year	160,078	65,586
In the second to fifth years, inclusive	<u>–</u>	<u>98,851</u>
	<u>160,078</u>	<u>164,437</u>

14 TRADE AND ACCOUNT PAYABLES

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Payables arising from securities broking business:		
– Cash clients account payables	6,373	2,162
– Margin clients account payables	10,605	11,715
– Clearing houses	<u>–</u>	<u>32</u>
Total trade and account payables	<u>16,978</u>	<u>13,909</u>

In view of the nature of the payables arising from securities broking, no ageing analysis is disclosed as in the opinion of the Directors, the ageing analysis is not meaningful. The normal settlement terms of payables arising from securities broking are two trading days after the trade date.

15 COMMITMENTS

(a) The Group as lessee

At the end of the reporting period, the lease commitments for short-term leases are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Not later than 1 year	<u>18</u>	<u>93</u>

None of the leases include contingent rentals.

(b) The Group as lessor

At the end of the reporting period, the operating lease rental receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Not later than 1 year	1,832	–
Later than 1 year but not later than 5 years	<u>198</u>	<u>–</u>
	<u>2,030</u>	<u>–</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Group recorded a turnover of approximately HK\$73.7 million with a gross profit of approximately HK\$20.5 million for the year ended 31 March 2025 as compared to approximately HK\$145.0 million and HK\$32.7 million respectively for the last corresponding year. The loss for the year was approximately HK\$89.0 million as compared to approximately HK\$87.6 million for the last corresponding year. The slight increase in loss for the year was mainly attributable to the net effect of the followings:

- (i) a decrease in gross profit of approximately HK\$12.2 million due to decrease in revenue;
- (ii) an increase in administrative expenses of approximately HK\$6.6 million;
- (iii) an increase in aggregate amount of impairment losses and written off of receivables of approximately HK\$3.4 million due to the uncertain and difficult economic environment;
- (iv) there were recognitions of one-off losses on disposal of interest in an associate and de-recognition of a subsidiary, and share of loss of an associate (which was disposed of in the last corresponding year) in the aggregate amount of approximately HK\$19.8 million in the last corresponding year.

As at 31 March 2025, the total assets and net assets of the Group amounted to approximately HK\$677.4 million (2024: HK\$767.6 million) and HK\$639.6 million (2024: HK\$723.8 million) respectively. The decrease in total assets and net assets were mainly caused by the loss for the year as mentioned above.

Business Review and Prospects

Trading Business

The Group is principally engaged in trading business in the PRC. The Group recorded a turnover of approximately HK\$53.7 million with a loss of approximately HK\$28.0 million from its trading business during year ended 31 March 2025 as compared to approximately HK\$113.2 million with a loss of approximately HK\$29.8 million for the same period in 2024. The decrease in the loss recorded for the year ended 31 March 2025 was mainly caused by the decrease in provision for impairment loss on trade receivables.

It was expected that in light with the introduction of economic enhancement measurements by the PRC government, consumption demand in the retail markets would be increased. However, as indicated by macroeconomic data such as purchasing managers' index being close to or even lower than 50 which may represent a stagnant economy, the economic environment surrounding the Group's trading business was less than satisfactory. Although the PRC government announced a number of economic stimulus policies, with the conclusion of the US presidential election and international trade wars including increasing tariff looming over the market again, the fundamental market sentiment is not optimistic, which compounded by the uncertainty about the pace of recovery of the economy, the consumption patterns of customers became more prudent. As the Group's trading business focuses on discretionary goods which are not mandatory for people's everyday lives, the above factors together with the Group's management hoping to minimise our credit risks with regard to the above-mentioned macroeconomic conditions and the circumstances of our individual customers, resulted in a significant decrease of turnover and revenue during the year.

Under such circumstances, the management of the Group regularly and prudently re-assessed the individual conditions of our customers to evaluate the businesses and credit risks with reference to historical trading and repayment patterns, and conditions of the market as a whole. With the assistance of an independent professional valuer on the computation of expected credit losses, impairment loss on trade receivables amounted to approximately HK\$22.4 million was provided for during the current year. As mentioned by the Group in prior years, this provision includes certain customers which encountered financial difficulties in the relatively weak economic environment and defaulted in repayments, and hence the Group was more prudent when conducting business with them, which also contributed to the Group's decreasing revenue from trading business. During the years, despite appropriate measures including legal proceedings against such customers were taken by the Group with judgement in favour of the Group by the court and certain of the customers' assets were seized and recovered by the Group thereon, after such legal actions and/or the auctioning and selling of all seized assets, the management considered that the Group could not recover further sums from such customers. Accordingly, after due and careful assessment, such balances were written off during the current year. The Group will closely monitor the creditworthiness of the customers and take appropriate measures including legal proceedings against defaulting customers and seizure of the customers' assets for auctioning and selling of all seized assets, to recover sums from such customers, whenever appropriate. The management will continue to stay vigilant on the macroeconomic conditions and may adjust our product mix in order to satisfy the needs of the market and drive the growth of the Group's trading business.

Money Lending and Factoring Business

The Group offers corporate and personal loans in Hong Kong and the PRC to well-established businesses and affluent individuals of occupations ranging from executives, businessmen and professionals. Clients are generally solicited through (i) the directors and senior management of the subsidiaries whom are in charge of each of the lending businesses; (ii) direct approaches from clients; and (iii) referral from existing clients.

The money lending portfolio consists of loans with initial terms generally ranging from 1 to 3 years with principals of approximately HK\$3 million to HK\$25 million which are principally for the development and expansion of their businesses and their corporate and personal needs.

The Group also offers factoring loans on trade receivables in the PRC with initial terms of not more than 6 months and sizes ranging from approximately RMB10 million to RMB20 million in general. The financing purpose of the Group's clients is principally for their operation requirements.

The Group has loan portfolios in Hong Kong and the PRC with outstanding principals of approximately HK\$156.1 million and factoring receivables of approximately HK\$18.4 million as at 31 March 2025. The Group recognised an aggregate interest income of approximately HK\$12.9 million and a loss of approximately HK\$11.2 million for the year ended 31 March 2025 as compared to approximately HK\$16.8 million and a loss of HK\$7.9 million respectively for the last corresponding year. The increase in loss was mainly caused by the decrease in interest income recognized during the year.

Collaterals and guarantors would be obtained from clients as appropriate on a case-by-case basis by considering the background, repayment ability and creditworthiness of the potential clients a whole. While the Group aims to have securities over the loans granted in accordance with the industry practice and in compliance with the relevant regulations, if applicable, unsecured loans may also be granted which is considered by the Group as a balance of our product-mix and part of our portfolio. Nevertheless, the Group is conservatively prudent in assessing the creditworthiness of the unsecured loans including but not limited to the review and inspection of asset title, asset portfolio, leverage level and liquidity conditions before approval. Amid the unstable economic environment, the Group has not made significant increase to the loan portfolio during the year.

The general market conditions during the year was not as good due to a number of reasons as mentioned above, and businesses across different industries are experiencing difficult times, which in turn affects the financial strength of our lending clients. The management of the Group has re-assessed the individual conditions of our customers to evaluate the businesses and credit risks with reference to historical repayment patterns, and conditions of the market as a whole. With the assistance of an independent professional valuer on the computation of expected credit losses, impairment loss on loan and interest receivables amounted to approximately HK\$15.8 million was provided for during the current year, which included balances with a customer written off after appropriate legal actions taken and due and careful assessment by the management.

The Group will further assess and closely monitor the creditworthiness of our potential and existing clients, in accordance with our internal control measures as discussed below and, when necessary, formulate the appropriate actions to reduce our credit risk and recovery of the outstanding amounts.

Finance Leasing Business

The Group is engaged in finance leasing business in the PRC and mainly offers machinery/equipment-based finance leases, the terms of which generally ranges from 1 to 5 years and with size not more than RMB30 million. The Group provides both direct leasing and sale-leaseback services to customers and the financing purpose of the Group's customers is principally for the development and expansion of their business.

The finance leasing business maintained a portfolio with outstanding amount of approximately HK\$24.5 million as at 31 March 2025. The finance leasing portfolio has attributed a turnover of approximately HK\$3.7 million with a loss of approximately HK\$2.9 million to the Group during the year ended 31 March 2025 as compared to approximately HK\$8.9 million and a profit of approximately HK\$9.2 million respectively for the last corresponding year. The turnaround is mainly due to the decrease in recognized interest income during the current year and recognition of a reversal of impairment loss on finance lease receivables in the last corresponding year.

As the management considered asset-heavy clients faces more business risks in this turbulent economic environment and hence was more prudent in accepting new businesses, no new finance lease was granted during the year. Nevertheless with the effort of the management of the Group in collection of the overdue amount including taking out necessary legal proceedings to seize and safeguard the assets secured, the Group successfully recovered from certain clients. The Group will closely monitor the creditworthiness of the clients and formulate appropriate actions for recovery of the outstanding lease receivables, where appropriate.

Loan Portfolio Summary

In respect of our money lending and factoring business and finance leasing business, in order to diversify the clients and lower the concentration of our loan portfolio, our portfolio include corporations from different industries such as hotel management, health management, computer software and trading and individuals. As at 31 March 2025, the Group's lending businesses has 18 clients with outstanding balances from different types of loans and fell within the following bands:

Types of loans	Number of customers
Finance leases	2
Factoring loans	1
Corporate loans	7
Personal loans	8
	<hr/>
	18
	<hr/> <hr/>
Carrying amounts of loans	Number of loans
HK\$5,000,000 or less	8
HK\$5,000,001 – HK\$10,000,000	1
HK\$10,000,001 – HK\$20,000,000	5
HK\$20,000,001 or above	4
	<hr/>
	18
	<hr/> <hr/>

As at 31 March 2025, the top five clients constituted approximately 55% of the total carrying amounts of the Group's loan portfolio of the lending businesses.

In addition to minimising the risks by restricting the Group's source of funds to its internally generated cash resources, the Group has appointed the directors and senior management personnel of the subsidiaries whom are in charge of each of the lending businesses (the "Management Teams") to be responsible for the credit assessment, granting of and supervision of loans. Each of the Management Teams have vast experiences and knowledge in the industries.

Notwithstanding the nature of the loans granted, the internal control measures are in general very similar to each other. Each loan application must go through three stages before granting to the borrower, namely (i) document collection and verification; (ii) credit risk assessment; and (iii) approval. The following is a summary of procedures the Group conducts on potential clients assessment:

- (a) identity checks must be performed on potential clients and the ultimate beneficial owner(s) of the potential clients by obtaining, including but not limited to, constitution documents, business registrations, identity cards or passports;
- (b) background checks must be performed by understanding the business operations, occupation and employment, the source and origin of funds and obtaining address proof of the potential clients, which included utility bills, bank/credit card statements or formal correspondence issued by either a governmental department or statutory body;
- (c) repayment ability of potential clients must be assessed through their financial statements, assets portfolio (e.g. properties held) and the related leverage level, liquidity condition, bankruptcy or winding up or litigation searches, media and news searches, past payment record (where applicable) and any other available information to evaluate their repayment ability;
- (d) check the availability of guarantor(s), if any; and
- (e) in case of security being provided as collateral for the loan, the validity, title and value of the security must be assessed.

Furthermore, guarantors who provide personal/corporate guarantee in favour of a loan, where applicable, are also required to meet the same basic eligibility and approval criteria as the borrower of loans, and will be required to go through the same verification and approval procedures.

After credit assessment, with the terms determined (having taken into consideration factors such as the credit quality of the clients, their recoverability and the prevalent market interest rates), loan documents will be prepared and the loans will be recommended for the Management Teams' review and approval. The Management Teams will monitor on a continued basis the credit quality of such loans and may require other credit enhancement measures from the borrowers from time to time. The Management Teams are primarily responsible for the approval of loans by considering whether such loans are on normal commercial terms, fair and reasonable and in the interests of the Company and the shareholders as a whole.

The Management Teams conduct regular review and carry out follow up actions on a continuing basis in respect of overdue amounts to minimise the Group's exposure to credit risk and follows up closely with its clients as to the repayment deadlines. An aging analysis of the borrowers is prepared and reviewed on a monthly basis. As for loan collection, in case of any minor defaults, the Management Teams shall send reminders and/or demand letters to its clients. In case the default persists, the Group may engage lawyers to advise on the recovery and take out enforcement actions as and when appropriate.

Financial Services Business

The Group acquired the financial services business in December 2019 (the "Acquisition") which is principally engaged in provision of securities dealing broking, placing, underwriting, margin financing and asset management services in Hong Kong.

The financial services business has attributed a turnover of approximately HK\$3.4 million with a loss of approximately HK\$30.2 million to the Group during the year ended 31 March 2025, as compared to approximately HK\$6.0 million and a loss of approximately HK\$31.5 million respectively for the last corresponding year.

While there were improvements in the market sentiment of the Hong Kong stock market in the second half of the year, but mid or small sized brokerage firms might not benefit from such change, which attributed to the decrease in revenue from brokerage, margin financing and underwriting and placing during the current year.

During the Company's preparation of the consolidated financial statements, based on the latest financial information available and the market conditions as mentioned above, the Group re-assesses its position, with reference to the actual results up to the date of this report and the prospects of the financial services business. As such, the profit and cashflow forecast prepared by the Group for the assessment of the recoverable amounts of the financial services business has incorporated the most updated information for the best estimate of the impairment of intangible assets and goodwill, if any. Based on the impairment assessment on the assets of this business unit, the Group noted that the carrying amounts of this business unit exceeded their recoverable amounts, and thus, impairment loss on intangible assets of approximately HK\$5.0 million was recognised in the current year.

In respect of the profit guarantee given by the vendors of the Acquisition, the Group has actively negotiated with the vendors for the settlement and has instructed our lawyers to issue a writ of summons to initiate legal proceedings against the vendors for recovery of the amount receivable in prior years, and the Company and the vendors agreed on a settlement arrangement subsequently. Whilst the vendors were still in default of the settlement of the outstanding amount, the Company is in the process of continuing negotiations with the vendors on settlement of the outstanding amounts under the profit guarantee. Up to the date of this report, an aggregate amount of approximately HK\$10.1 million was settled by the vendors. Further updates regarding this profit guarantee will be announced by the Company as and when appropriate.

Impairment Assessment of Expected Credit Losses

As mentioned in the business review of different business segments above, the Group has engaged an independent valuer to conduct valuation in assistance of our impairment assessment over the receivables as at 31 March 2025.

The independent valuer adopted the expected credit loss model to measure the expected credit loss of trade and account receivables, factoring receivables, finance lease receivables, loan and interest receivables, and deposits and other receivables. Major inputs of the model include (i) probability of default of the debtor which include assessing the loss stages and checking forward looking assumptions, (ii) loss given default, (iii) exposure at default, and (iv) discount factor to reflect time value of money. The model was adopted in accordance with Hong Kong Financial Reporting Standard 9 and was consistently applied as the last corresponding year.

Potential Business Development and Prospects

The Group remains on the lookout for quality investment opportunities and may consider diversify into other business segments to broaden its assets and revenue base and may consider restructuring its business segments pursuant to the ever-changing economic environment. The Group will cautiously search for investment opportunities so as to produce a steady growth in the Group's long term performance.

Securities Investments

The Group invested surplus funds in securities listed in Hong Kong during the year. The fair value of the Group's securities investment amounted to approximately HK\$23.0 million as at 31 March 2025. The Group recorded a gain on changes in fair value of held-for-trading investments of approximately HK\$12.7 million during the year as compared to a loss of approximately HK\$3.5 million for the last corresponding year. The Group disposed certain of the held-for-trading investments with a loss of approximately HK\$0.6 million during the year, as compared to a gain of approximately HK\$10.8 million for the last corresponding year. The management will continue to keep monitoring the stock markets closely and grasping for opportunities to realise gains from its investment portfolio.

The other details of the securities investments held as at 31 March 2025 are as follows:

							% of net assets of the Group as at 31 March 2025		
Company name	Stock code	Principal activities	Number of shares held	% of shareholdings	Cost of acquisition HK\$'000	Fair value as at 31 March 2025 HK\$'000	Gain/(loss) on changes in fair value for the year HK\$'000		
1	Huashi Group Holdings Limited	1111	Provision of branding, advertising and marketing services and advertising placement services in the PRC	9,692,000	1.26%	3,028	1,938	0.30%	2,287
2	Unity Group Holdings International Limited	1539	Provision of leasing services of energy saving systems and products, consultancy service, installation services of renewable energy systems and trading of energy saving products	9,000,000	0.26%	4,230	4,185	0.65%	(45)
3	SY Holdings Group Limited	6069	Provision of digital financing solutions, platform-based technology services and refinancing of supply chain assets in the PRC	1,123,000	0.11%	4,804	15,206	2.38%	10,500
4	Byte Metaverse Holdings Limited	8645	Provision of (i) network support services mainly encompassing network infrastructure design and hardware installation, network management and security services; (ii) network connectivity services that focus on providing intranet and internet connectivity solutions and value-added services; (iii) electronic commerce services; and (iv) online game intellectual property (IP) authorisation management services	3,000,000	0.40%	1,739	1,650	0.26%	(89)
						13,801	22,979		12,653

Liquidity, Financial Resources and Gearing

As at 31 March 2025, the Group had cash and bank balances of approximately HK\$59.8 million (2024: HK\$129.0 million) and total borrowings of approximately HK\$2.0 million (2024: HK\$10.8 million). The Group's gearing ratio, calculated by dividing total borrowings by total equity, was 0.32% (2024: 1.49%). The liquidity ratio, being the ratio of current assets over current liabilities was 16.91 as at 31 March 2025 (2024: 13.25).

Both the decrease in the gearing ratio and the increase in the liquidity ratio was mainly due to the decrease in lease liabilities during the year.

Foreign Exchange Exposure

Operations of the Group are mainly conducted in Hong Kong dollar ("HK\$"), Renminbi ("RMB") and US dollar ("US\$") and its revenue, expenses, assets, liabilities and borrowings are principally denominated in HK\$, RMB and US\$. The Group does not enter into any instruments on the foreign exchange exposure. The Group will closely monitor exchange rate movement and will take appropriate activities to reduce the exchange risk as appropriate.

Dividend

The Directors do not recommend the payment of any dividend for the year ended 31 March 2025 (2024: Nil).

Capital Structure and Fund Raising Activities

As at 31 March 2025, the total number of issued shares of the Company was 4,120,600,000.

There was no change in the capital structure of the Company during the year.

The Company entered into 3 placing agreements with the respective placing agents on 11 September 2024, 8 October 2024 and 11 December 2024 to place certain new shares of the Company to independent placees. However, as the conditions of the placings were not fulfilled on or before the respective long stop dates, the placings were not successful. Please refer to the Company's announcements on the above dates for further details.

Charges on Group Assets

As at 31 March 2025, none of the Group's asset was pledged to secure any facilities and borrowings granted to the Group.

Significant Acquisition and Disposal of Assets

For the year ended 31 March 2025, there has been no significant acquisition and disposal of assets by the Group.

Contingent Liabilities

The Group did not have significant contingent liabilities as at 31 March 2025.

Commitments

Details of the commitments are set out in Note 15 to this announcement.

Employees And Remuneration Policies

As at 31 March 2025, the Group employed 53 (2024: 56) employees. The Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Group remunerates its Directors and employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus and share options may be granted to eligible staff by reference to the Group's performance as well as individual's performance.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

To the best knowledge of the Directors, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31 March 2025.

CORPORATE GOVERNANCE PRACTICE

The Board believes that good governance is essential to the maintenance of the Group's competitiveness and to its healthy growth. The Company has adopted practices which meet the requirements of 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 (the "Listing Rules").

The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG Code. The Company has been in compliance with all code provisions set out in the CG Code for the year ended 31 March 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors set out in Appendix C3 of the Listing Rules as its own code regarding securities transactions by Directors of the Company and its subsidiaries and employees of the Group who are likely to be in possession of unpublished price-sensitive information of the Company. The Company has received written confirmation from each Director that they have complied with the codes throughout the year.

ANNUAL GENERAL MEETING

As at the date of this announcement, the Company has not determined the date when the Company's 2025 annual general meeting will be held and the relevant book closure arrangement. Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company comprising four independent non-executive directors, has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements of the Group for the financial year ended 31 March 2025. 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 2025 as set out in this announcement have been agreed by the Group's auditor, Reanda HK CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Reanda 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 Reanda HK CPA Limited on this announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This annual results announcement is available for viewing on the website of the Stock Exchange at www.hkex.com.hk under “Latest Listed Company Information” and on the Company’s website at www.midt.hk under the section “Investor Relations”. The annual report for the year containing all the information required by the Listing Rules will be published on the the Stock Exchange website and the Company’s website and despatched to the Company’s shareholders in due course.

By order of the Board
**Modern Innovative Digital
Technology Company Limited**
Mr. Ma Weihua
Chairman

Hong Kong, 26 June 2025

As at the date of this announcement, the Board comprises Mr. Ma Weihua as the Chairman and the non-executive Director; Ms. Zheng Juhua, Mr. Gong Huanghui, Ms. Cao Li and Mr. Lau Hoi Kit as the executive Directors; and Mr. Han Zhenghai (Deputy Chairman), Mr. Chi Chi Hung, Kenneth, Mr. Yeung Yat Chuen and Mr. Chen Chao as the independent non-executive Directors.