



**MODERN INNOVATIVE DIGITAL  
TECHNOLOGY COMPANY LIMITED**

**新質數字科技有限公司**

*(formerly known as Hong Kong ChaoShang Group Limited 香港潮商集團有限公司)*

*(Incorporated in Bermuda with limited liability)*

*(Stock Code: 2322)*

# Interim Report 2024/25



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Chairman and Non-executive Director

Mr. MA Weihua

#### Executive Directors

Ms. ZHENG Juhua

Mr. CHAN Chi Yuen

Mr. GONG Huanghui

#### Independent Non-executive Directors

Mr. CHI Chi Hung, Kenneth

Mr. YEUNG Yat Chuen

Mr. CHEN Chao

### JOINT COMPANY SECRETARIES

Mr. CHAU Kin Cheung Alfred

Mr. CHOI Pun Lap

### AUDIT COMMITTEE

Mr. CHI Chi Hung, Kenneth (*Chairman*)

Mr. YEUNG Yat Chuen

Mr. CHEN Chao

### REMUNERATION COMMITTEE

Mr. CHEN Chao (*Chairman*)

Mr. CHI Chi Hung, Kenneth

Mr. YEUNG Yat Chuen

### NOMINATION COMMITTEE

Mr. YEUNG Yat Chuen (*Chairman*)

Mr. CHI Chi Hung, Kenneth

Mr. CHEN Chao

Ms. ZHENG Juhua

### AUDITOR

Reanda HK CPA Limited  
(formerly known as Lau & Au Yeung  
C.P.A. Limited)

### PRINCIPAL BANKERS

The Bank of East Asia Limited  
OCBC Wing Hang Bank Limited  
Bank of Communications (Hong Kong) Limited  
Bank of China (Hong Kong) Limited

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2202, 22/F., China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited  
4th Floor North Cedar House  
41 Cedar Avenue  
Hamilton HM12  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

### STOCK CODE

2322

### WEBSITE

<http://www.midt.hk/>

 This interim report is printed on environmentally friendly paper

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”) presents the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 September 2024 together with the comparative figures for the corresponding period in 2023. The unaudited condensed consolidated financial statements have been reviewed by the Company’s audit committee.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

|  | Notes | Six months ended<br>30 September |                               |
|--|-------|----------------------------------|-------------------------------|
|  |       | 2024<br>HK\$'000<br>Unaudited    | 2023<br>HK\$'000<br>Unaudited |
| Revenue  | 3     | 35,644                           | 87,998                        |
| Cost of sales  |       | <u>(23,456)</u>                  | <u>(76,560)</u>               |
| Gross profit   |       | 12,188                           | 11,438                        |
| Other income   | 5     | 1,333                            | 1,414                         |
| Impairment loss on loan and interest receivables                 | 13    | (923)                            | (1,909)                       |
| Impairment loss on trade and account receivables                 | 14    | (13,629)                         | (15,856)                      |
| Impairment loss on factoring receivables                         | 15    | (1,479)                          | (831)                         |
| Reversal of impairment loss on<br>finance lease receivables      | 16    | 5                                | 2,610                         |
| Impairment loss on deposit and other receivables                 |       | –                                | (2,269)                       |
| Gain on changes in fair value of<br>held-for-trading investments |       | 76                               | 32,839                        |
| Loss on disposal of held-for-trading investments                 |       | (156)                            | –                             |
| Share of results of an associate                                 |       | –                                | (1,816)                       |
| Administrative expenses  |       | <u>(27,319)</u>                  | <u>(22,180)</u>               |

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

|   | Notes | Six months ended<br>30 September |                               |
|---|-------|----------------------------------|-------------------------------|
|   |       | 2024<br>HK\$'000<br>Unaudited    | 2023<br>HK\$'000<br>Unaudited |
| Operating (loss)/profit   |       | <b>(29,904)</b>                  | 3,440                         |
| Finance costs   | 7     | <b>(200)</b>                     | (462)                         |
| (Loss)/Profit before taxation   | 6     | <b>(30,104)</b>                  | 2,978                         |
| Taxation  | 8     | <b>(573)</b>                     | 1,401                         |
| (Loss)/Profit for the period  |       | <b>(30,677)</b>                  | 4,379                         |
| Other comprehensive (loss)/income:  |       |                                  |                               |
| <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                   |       | <b>14,622</b>                    | (38,927)                      |
|   |       | <b>14,622</b>                    | (38,922)                      |
| <i>Items that may not be reclassified subsequently to profit or loss:</i>             |       |                                  |                               |
| – Gain on revaluation of owner-occupied property upon transfer to investment property |       | <b>5,746</b>                     | –                             |
| Total comprehensive loss for the period   |       | <b>(10,309)</b>                  | (34,543)                      |
| (Loss)/Profit for the period attributable to:   |       |                                  |                               |
| Owners of the Company   |       | <b>(30,677)</b>                  | 4,397                         |
| Non-controlling interests   |       | –                                | (18)                          |
| (Loss)/Profit for the period  |       | <b>(30,677)</b>                  | 4,379                         |
| Total comprehensive (loss)/income for the period attributable to:                     |       |                                  |                               |
| Owners of the Company   |       | <b>(10,309)</b>                  | (35,314)                      |
| Non-controlling interests   |       | –                                | 771                           |
| Total comprehensive loss for the period   |       | <b>(10,309)</b>                  | (34,543)                      |
| (LOSS)/PROFIT PER SHARE ATTRIBUTABLE TO<br>ORDINARY EQUITY HOLDERS OF THE COMPANY     |       |                                  |                               |
| Basic and diluted (loss)/profit per share   | 10    | <b>HK\$(0.74) cents</b>          | HK\$0.11 cents                |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

|   | Notes | 30 September<br>2024<br>HK\$'000<br>Unaudited | 31 March<br>2024<br>HK\$'000<br>Audited |
|---|-------|---|---|
| <b>ASSETS</b>                               |       |   |   |
| <b>Non-current assets</b>                   |       |   |   |
| Property, plant and equipment               | 11    | 3,737   | 31,482                                  |
| Investment property                         | 11    | 73,815  | 37,044                                  |
| Right-of-use assets                         |       | 4,182   | 8,363                                   |
| Intangible assets                           | 12    | 5,525   | 5,525                                   |
| Goodwill                                    | 12    | 1,000   | 1,000                                   |
| Other non-current assets                    |       | 205   | 230                                     |
| Loan and interest receivables               | 13    | 62,632  | 98,851                                  |
| Deferred tax assets                         |       | 22,059  | 21,690                                  |
|   |       | <u>173,155</u>                                | <u>204,185</u>                          |
| <b>Current assets</b>                       |       |   |   |
| Trade and account receivables               | 14    | 247,156                                       | 230,675                                 |
| Factoring receivables                       | 15    | 17,934  | 18,449                                  |
| Finance lease receivables                   | 16    | 22,258  | 22,051                                  |
| Loan and interest receivables               | 13    | 112,366                                       | 65,586                                  |
| Deposits, prepayments and other receivables |       | 67,594  | 68,695                                  |
| Tax recoverable                             |       | 1,904   | 203                                     |
| Held-for-trading investments                |       | 13,033  | 12,957                                  |
| Net investment in sublease                  |       | 962   | 1,902                                   |
| Cash held on behalf of clients              |       | 17,142  | 13,815                                  |
| Cash and bank balances                      | 17    | 98,159  | 129,045                                 |
|   |       | <u>598,508</u>                                | <u>563,378</u>                          |
| <b>Total assets</b>                         |       | <u>771,663</u>                                | <u>767,563</u>                          |
| <b>EQUITY</b>                               |       |   |   |
| <b>Capital and reserves</b>                 |       |   |   |
| Share capital                               | 18    | 82,412  | 82,412                                  |
| Reserves                                    |       | 631,064                                       | 641,373                                 |
| <b>Total equity</b>                         |       | <u>713,476</u>                                | <u>723,785</u>                          |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2024

|   |              | <b>30 September<br/>2024</b> | 31 March<br>2024 |
|---|--------------|------------------------------|------------------|
|   | <i>Notes</i> | <b>HK\$'000</b>              | <i>HK\$'000</i>  |
|   |              | <b>Unaudited</b>             | Audited          |
| <b>LIABILITIES</b>                            |              |                              |                  |
| <b>Non-current liabilities</b>                |              |                              |                  |
| Deferred tax liabilities                      |              | <u>1,266</u>                 | <u>1,254</u>     |
|   |              | <u>1,266</u>                 | <u>1,254</u>     |
| <b>Current liabilities</b>                    |              |                              |                  |
| Trade and account payables                    | 19           | 17,214                       | 13,909           |
| Lease liabilities                             |              | 5,420                        | 10,705           |
| Accruals, other payables and deposit received |              | 23,878                       | 8,491            |
| Amount due to a Director                      | 20           | –                            | 70               |
| Tax payables                                  |              | <u>10,409</u>                | <u>9,349</u>     |
|   |              | <u>56,921</u>                | <u>42,524</u>    |
| <b>Total liabilities</b>                      |              | <u>58,187</u>                | <u>43,778</u>    |
| <b>Total equity and liabilities</b>           |              | <u>771,663</u>               | <u>767,563</u>   |
| <b>Net current assets</b>                     |              | <u>541,587</u>               | <u>520,854</u>   |
| <b>Total assets less current liabilities</b>  |              | <u>714,742</u>               | <u>725,039</u>   |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

|   | Attributable to owners of the Company |                |                     |                  |                 |                              |                    | Non-controlling interests |                                     | Total          |
|---|---------------------------------------|----------------|---------------------|------------------|-----------------|------------------------------|--------------------|---------------------------|-------------------------------------|----------------|
|   | Share capital                         | Share premium  | Contributed surplus | Exchange reserve | Surplus reserve | Property revaluation reserve | Accumulated losses | Sub-total                 | Share of net assets of a subsidiary |                |
|   | <i>HKS'000</i>                        | <i>HKS'000</i> | <i>HKS'000</i>      | <i>HKS'000</i>   | <i>HKS'000</i>  | <i>HKS'000</i>               | <i>HKS'000</i>     | <i>HKS'000</i>            | <i>HKS'000</i>                      | <i>HKS'000</i> |
|   | Unaudited                             | Unaudited      | Unaudited           | Unaudited        | Unaudited       | Unaudited                    | Unaudited          | Unaudited                 | Unaudited                           | Unaudited      |
| <b>For the six months ended 30 September 2023</b>                                   |                                       |                |                     |                  |                 |                              |                    |                           |                                     |                |
| At 1 April 2023   | 82,412                                | 1,000,745      | 34,178              | (37,619)         | 9,729           | 7,245                        | (250,767)          | 845,923                   | (12,828)                            | 833,095        |
| <b>Comprehensive income</b>   |                                       |                |                     |                  |                 |                              |                    |                           |                                     |                |
| Profit for the period   | -                                     | -              | -                   | -                | -               | -                            | 4,397              | 4,397                     | (18)                                | 4,379          |
| <b>Other comprehensive income/(loss)</b>  |                                       |                |                     |                  |                 |                              |                    |                           |                                     |                |
| Exchange difference on translation of financial statements of foreign operations    | -                                     | -              | -                   | (39,716)         | -               | -                            | -                  | (39,716)                  | 789                                 | (38,927)       |
| Share of other comprehensive income of an associate                                 | -                                     | -              | -                   | 5                | -               | -                            | -                  | 5                         | -                                   | 5              |
| <b>Transactions with owners</b>   |                                       |                |                     |                  |                 |                              |                    |                           |                                     |                |
| Transfer to statutory reserve   | -                                     | -              | -                   | -                | 259             | -                            | (259)              | -                         | -                                   | -              |
| At 30 September 2023  | 82,412                                | 1,000,745      | 34,178              | (77,330)         | 9,988           | 7,245                        | (246,629)          | 810,609                   | (12,057)                            | 798,552        |
| <b>For the six months ended 30 September 2024</b>                                   |                                       |                |                     |                  |                 |                              |                    |                           |                                     |                |
| At 1 April 2024   | 82,412                                | 1,000,745      | 34,178              | (72,325)         | 10,409          | 7,245                        | (338,879)          | 723,785                   | -                                   | 723,785        |
| <b>Comprehensive loss</b>   |                                       |                |                     |                  |                 |                              |                    |                           |                                     |                |
| Loss for the period   | -                                     | -              | -                   | -                | -               | -                            | (30,677)           | (30,677)                  | -                                   | (30,677)       |
| <b>Other comprehensive income</b>   |                                       |                |                     |                  |                 |                              |                    |                           |                                     |                |
| Exchange difference on translation of financial statements of foreign operations    | -                                     | -              | -                   | 14,622           | -               | -                            | -                  | 14,622                    | -                                   | 14,622         |
| Gain on revaluation of owner-occupied property upon transfer to investment property | -                                     | -              | -                   | -                | -               | 5,746                        | -                  | 5,746                     | -                                   | 5,746          |
| <b>Transactions with owners</b>   |                                       |                |                     |                  |                 |                              |                    |                           |                                     |                |
| Transfer to statutory reserve   | -                                     | -              | -                   | -                | 138             | -                            | (138)              | -                         | -                                   | -              |
| At 30 September 2024  | 82,412                                | 1,000,745      | 34,178              | (57,703)         | 10,547          | 12,991                       | (369,694)          | 713,476                   | -                                   | 713,476        |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

|  |              | <b>Six months ended</b> |           |
|--|--------------|-------------------------|-----------|
|  |              | <b>30 September</b>     |           |
|  | <i>Notes</i> | <b>2024</b>             | 2023      |
|  |              | <b>HK\$'000</b>         | HK\$'000  |
|  |              | <b>Unaudited</b>        | Unaudited |
| Net cash used in operating activities                  |              | <b>(23,276)</b>         | (2,166)   |
| Net cash (used in)/generated from investing activities |              | <b>(2,763)</b>          | 530       |
| Net cash used in financing activities                  |              | <b>(5,555)</b>          | (5,429)   |
| Decrease in cash and cash equivalents                  |              | <b>(31,594)</b>         | (7,065)   |
| Cash and cash equivalents at beginning of period       |              | <b>129,045</b>          | 138,497   |
| Effect of foreign exchange rate changes, net           |              | <b>708</b>              | (4,247)   |
| Cash and cash equivalents at end of period             | 17           | <b>98,159</b>           | 127,185   |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1 General information

The Company is a limited liability company incorporated in Bermuda with its shares 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 HM11, Bermuda. The principal place of the Company’s business in Hong Kong is situated at Suite 2202, 22/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

Pursuant to a special resolution passed by the shareholders of the Company at a special general meeting on 10 October 2024 and approved by the Registrar of Companies of Bermuda on 21 October 2024, the name of the Company has been changed from “Hong Kong ChaoShang Group Limited” to “Modern Innovative Digital Technology Company Limited” and the adoption of the Chinese name “新質數字科技有限公司” as the secondary name of the Company in replacement of “香港潮商集團有限公司” has become effective.

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 unaudited condensed consolidated financial statements have been reviewed by the audit committee of the Company and approved for issue by the Board on 29 November 2024.

### 2 Basis of preparation

The condensed consolidated financial statements for the six months ended 30 September 2024 have been prepared in accordance with the applicable disclosure requirements as prescribed in Appendix 16 of the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

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

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment property and held-for-trading investments that is measured at fair value.

The condensed consolidated financial statements are presented in Hong Kong dollars (“HK\$”), unless otherwise stated. The functional currency of the Company and its subsidiaries is HK\$.

**2(a) Principal accounting policies and adoption of new/revised hong kong financial reporting standards (“HKFRS(s)”)**

The significant accounting policies that have been used in the preparation of the Group’s condensed consolidated financial statements for the six months ended 30 September 2024 are consistent with those adopted in the preparation of the Group’s annual financial statements for the year ended 31 March 2024, except as described below.

The Group has adopted and applied, for the first time, the following new standards and interpretations that have been issued and effective for the accounting periods beginning on 1 April 2024:

|                                  |  |
|----------------------------------|--|
| 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 Covenants</i> |
| Amendments to HKAS 7 and HKFRS 7 | <i>Supplier Finance Arrangements</i>   |
| Amendments to HKFRS 16           | <i>Lease Liability in a Sale and Leaseback</i>   |

The application of the above amendments did not have any material impact on the condensed consolidated financial statements of the Group.

The Group has not applied any new standard or amendment that is not yet effective for the current accounting period. The Directors anticipate that the application of the other new and revised standards and amendments issued but not yet effective will have no material impact on the results and financial position of the Group.

### 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 period is as follows:

|  | <b>Six months ended</b> |           |
|--|-------------------------|-----------|
|  | <b>30 September</b>     |           |
|  | <b>2024</b>             | 2023      |
|  | <b>HK\$'000</b>         | HK\$'000  |
|  | <b>Unaudited</b>        | Unaudited |
| Sales of goods   | <b>24,513</b>           | 76,831    |
| Interest income from money lending, factoring,<br>finance leasing and margin financing | <b>10,318</b>           | 10,619    |
| Brokerage commission income from securities dealings                                   | <b>212</b>              | 548       |
| Underwriting and placing commission income   | <b>601</b>              | –         |
|  | <b>35,644</b>           | 87,998    |

#### **Revenue from contracts with customers within HKFRS 15:**

*Recognised at a point of time*

|  |               |        |
|--|---------------|--------|
| Sales of goods                                       | <b>24,513</b> | 76,831 |
| Brokerage commission income from securities dealings | <b>212</b>    | 548    |
| Underwriting and placing commission income           | <b>601</b>    | –      |
|  | <b>25,326</b> | 77,379 |

#### **Revenue from other sources:**

Interest income from money lending, factoring,  
finance leasing and margin financing calculated  
using effective interest method

|  |               |        |
|--|---------------|--------|
|  | <b>10,318</b> | 10,619 |
|  | <b>35,644</b> | 87,998 |

#### 4 Segment information

The chief operating decision-maker has been identified as the Board. 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 operating 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 engaged in trading of goods in the PRC and Hong Kong;
- Money lending and factoring segment engaged in provision of loan financing in Hong Kong, loan and factoring financing in the PRC;
- Finance leasing segment engaged in provision of finance leasing and sale-leaseback in the PRC; and
- Financial services segment engaged 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, gain/loss on changes in fair value of held-for-trading investments, gain/loss on disposal of held-for-trading investments, share of results of an associate, finance costs, impairment loss on deposits and other receivables (non-trading nature), exchange gain/loss, rental income, sublease interest income and interest income from cash and bank balances.

#### 4 Segment information (Continued)

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

##### (a) Segment revenue and results

| Segment revenue and results                                      | Six months ended 30 September 2024 |   |   |  |                                |
|--|------------------------------------|---|---|--|--------------------------------|
|  | Trading<br>HK\$'000<br>Unaudited   | Money<br>lending<br>and<br>factoring<br>HK\$'000<br>Unaudited | Finance<br>leasing<br>HK\$'000<br>Unaudited | Financial<br>services<br>HK\$'000<br>Unaudited | Total<br>HK\$'000<br>Unaudited |
| Segment revenue  | <u>23,672</u>                      | <u>7,975</u>  | <u>1,929</u>                                | <u>2,068</u>                                   | <u>35,644</u>                  |
| Segment results  | <u>(11,746)</u>                    | <u>3,118</u>  | <u>1,510</u>                                | <u>(15,475)</u>                                | <u>(22,593)</u>                |
| Corporate expenses   |                                    |   |   |  | <u>(8,431)</u>                 |
| Operating loss   |                                    |   |   |  | <u>(31,024)</u>                |
| Corporate income   |                                    |   |   |  | 1,092                          |
| Gain on changes in fair value of<br>held-for-trading investments |                                    |   |   |  | 76                             |
| Loss on disposal of<br>held-for-trading investments              |                                    |   |   |  | (156)                          |
| Finance costs  |                                    |   |   |  | <u>(92)</u>                    |
| Loss before taxation   |                                    |   |   |  | <u>(30,104)</u>                |
| Taxation   |                                    |   |   |  | <u>(573)</u>                   |
| Loss for the period  |                                    |   |   |  | <u>(30,677)</u>                |

**4 Segment information (Continued)**  
**(a) Segment revenue and results (Continued)**

| Segment revenue and results                                      | Six months ended 30 September 2023 |   |   |  | Total<br>HK\$'000<br>Unaudited |
|--|------------------------------------|---|---|--|--------------------------------|
|  | Trading<br>HK\$'000<br>Unaudited   | Money<br>lending<br>and<br>factoring<br>HK\$'000<br>Unaudited | Finance<br>leasing<br>HK\$'000<br>Unaudited | Financial<br>services<br>HK\$'000<br>Unaudited |                                |
| Segment revenue  | 76,831                             | 8,629   | 295   | 2,243  | 87,998                         |
| Segment results  | (16,046)                           | 3,483   | 1,658                                       | (9,492)  | (20,397)                       |
| Corporate expenses   |                                    |   |   |  | (8,731)                        |
| Operating loss   |                                    |   |   |  | (29,128)                       |
| Corporate income   |                                    |   |   |  | 1,290                          |
| Gain on changes in fair value of<br>held-for-trading investments |                                    |   |   |  | 32,839                         |
| Share of results of an associate                                 |                                    |   |   |  | (1,816)                        |
| Finance costs  |                                    |   |   |  | (207)                          |
| Profit before taxation   |                                    |   |   |  | 2,978                          |
| Taxation   |                                    |   |   |  | 1,401                          |
| Profit for the period  |                                    |   |   |  | 4,379                          |

4 Segment information (Continued)  
(b) Segment assets and liabilities

|  | As at 30 September 2024 and<br>six months ended 30 September 2024 |  |                                |                                   |                   |
|--|---|--|--------------------------------|-----------------------------------|-------------------|
|  | Trading<br>HK\$'000   | Money<br>lending<br>and<br>factoring<br>HK\$'000 | Finance<br>leasing<br>HK\$'000 | Financial<br>services<br>HK\$'000 | Total<br>HK\$'000 |
|  | Unaudited   | Unaudited  | Unaudited                      | Unaudited                         | Unaudited         |
| <b>Segment assets</b>                                    |   |  |                                |                                   |                   |
| Non-current assets                                       |   |  |                                |                                   |                   |
| Property, plant and equipment                            | 141   | 268  | 2,451                          | 34                                | 2,894             |
| Right-of-use assets                                      | -   | -  | -                              | 2,832                             | 2,832             |
| Intangible assets  | -   | -  | -                              | 5,525                             | 5,525             |
| Goodwill   | -   | -  | 1,000                          | -                                 | 1,000             |
| Other non-current assets                                 | -   | -  | -                              | 205                               | 205               |
| Loan and interest receivables                            | -   | 62,632   | -                              | -                                 | 62,632            |
|  | <u>141</u>  | <u>62,900</u>                                    | <u>3,451</u>                   | <u>8,596</u>                      | <u>75,088</u>     |
| Current assets   | <u>237,344</u>  | <u>130,697</u>                                   | <u>25,068</u>                  | <u>49,993</u>                     | <u>443,102</u>    |
|  | <u>237,485</u>  | <u>193,597</u>                                   | <u>28,519</u>                  | <u>58,589</u>                     | <u>518,190</u>    |
| <b>Unallocated:</b>                                      |   |  |                                |                                   |                   |
| Net investment in sublease                               |   |  |                                |                                   | 962               |
| Cash and bank balances                                   |   |  |                                |                                   | 98,159            |
| Others   |   |  |                                |                                   | 154,352           |
| Total assets per statement of<br>financial position      |   |  |                                |                                   | <u>771,663</u>    |
| <b>Segment liabilities</b>                               | <u>491</u>  | <u>387</u>                                       | <u>1,756</u>                   | <u>33,544</u>                     | <u>36,178</u>     |
| <b>Unallocated:</b>                                      |   |  |                                |                                   |                   |
| Others   |   |  |                                |                                   | <u>22,009</u>     |
| Total liabilities per statement of<br>financial position |   |  |                                |                                   | <u>58,187</u>     |
| <b>Other segment information</b>                         |   |  |                                |                                   |                   |
| Capital expenditure                                      | -   | 1  | 2,671                          | -                                 | 2,672             |
| Unallocated capital expenditure                          |   |  |                                |                                   | -                 |
|  |   |  |                                |                                   | <u>2,672</u>      |
| Depreciation   |   |  |                                |                                   |                   |
| - Right-of-use assets                                    | -   | -  | -                              | 2,832                             | 2,832             |
| - Property, plant and equipment                          | 107   | 226  | 267                            | 85                                | 685               |
| Unallocated depreciation                                 |   |  |                                |                                   | 1,533             |
|  |   |  |                                |                                   | <u>5,050</u>      |

4 **Segment information (Continued)**  
**(b) Segment assets and liabilities (Continued)**

|  | As at 30 September 2023 and<br>six months ended 30 September 2023 |  |                                |                                   |                   |
|--|---|--|--------------------------------|-----------------------------------|-------------------|
|  | Trading<br>HK\$'000   | Money<br>lending<br>and<br>factoring<br>HK\$'000 | Finance<br>leasing<br>HK\$'000 | Financial<br>services<br>HK\$'000 | Total<br>HK\$'000 |
|  | Unaudited   | Unaudited  | Unaudited                      | Unaudited                         | Unaudited         |
| <b>Segment assets</b>                                    |   |  |                                |                                   |                   |
| Non-current assets                                       |   |  |                                |                                   |                   |
| Property, plant and equipment                            | 655   | 670  | 29,458                         | 1,487                             | 32,270            |
| Right-of-use assets                                      | -   | -  | -                              | 8,495                             | 8,495             |
| Intangible assets  | -   | -  | -                              | 16,800                            | 16,800            |
| Goodwill   | -   | -  | 1,000                          | -                                 | 1,000             |
| Other non-current assets                                 | -   | -  | -                              | 230                               | 230               |
| Loan and interest receivables                            | -   | 98,108   | -                              | -                                 | 98,108            |
|  | <u>655</u>  | <u>98,778</u>                                    | <u>30,458</u>                  | <u>27,012</u>                     | <u>156,903</u>    |
| Current assets   | <u>224,803</u>  | <u>96,705</u>                                    | <u>24,000</u>                  | <u>85,692</u>                     | <u>431,200</u>    |
|  | <u>225,458</u>  | <u>195,483</u>                                   | <u>54,458</u>                  | <u>112,704</u>                    | <u>588,103</u>    |
| <b>Unallocated:</b>                                      |   |  |                                |                                   |                   |
| Net investment in sublease                               |   |  |                                |                                   | 2,820             |
| Interest in an associate                                 |   |  |                                |                                   | 12,335            |
| Cash and bank balances                                   |   |  |                                |                                   | 127,185           |
| Others   |   |  |                                |                                   | 162,919           |
| Total assets per statement of<br>financial position      |   |  |                                |                                   | <u>893,362</u>    |
| <b>Segment liabilities</b>                               |   |  |                                |                                   |                   |
|  | <u>3,765</u>  | <u>294</u>                                       | <u>6,089</u>                   | <u>62,144</u>                     | <u>72,292</u>     |
| <b>Unallocated:</b>                                      |   |  |                                |                                   |                   |
| Amount due to a Director                                 |   |  |                                |                                   | 1,592             |
| Others   |   |  |                                |                                   | 20,926            |
| Total liabilities per statement of<br>financial position |   |  |                                |                                   | <u>94,810</u>     |
| <b>Other segment information</b>                         |   |  |                                |                                   |                   |
| Capital expenditure                                      | 62  | 9  | -                              | 2                                 | 73                |
| Unallocated capital expenditure                          |   |  |                                |                                   | -                 |
|  |   |  |                                |                                   | <u>73</u>         |
| Depreciation   |   |  |                                |                                   |                   |
| - Right-of-use assets                                    | -   | -  | -                              | 2,832                             | 2,832             |
| - Property, plant and equipment                          | 321   | 33   | 565                            | 1,437                             | 2,356             |
| Unallocated depreciation                                 |   |  |                                |                                   | 1,434             |
|  |   |  |                                |                                   | <u>6,622</u>      |

5 Other income

|                          | Six months ended |              |
|--------------------------|------------------|--------------|
|                          | 30 September     |              |
|                          | 2024             | 2023         |
|                          | HK\$'000         | HK\$'000     |
|                          | Unaudited        | Unaudited    |
| Bank interest income     | 65               | 603          |
| Sublease interest income | 35               | 79           |
| Rental income            | 243              | 606          |
| Others                   | 990              | 126          |
|                          | <u>1,333</u>     | <u>1,414</u> |

**6 Loss before taxation**

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

|  | <b>Six months ended</b> |           |
|--|-------------------------|-----------|
|  | <b>30 September</b>     |           |
|  | <b>2024</b>             | 2023      |
|  | <b>HK\$'000</b>         | HK\$'000  |
|  | <b>Unaudited</b>        | Unaudited |
| Cost of inventories sold   | <b>23,456</b>           | 76,560    |
| Salaries and wages included in administrative expenses:                      |                         |           |
| Directors' emoluments (including contribution to defined contribution plans) | <b>2,398</b>            | 2,700     |
| Salaries, wages and other benefits (excluding directors' emoluments)         | <b>8,762</b>            | 7,895     |
| Contribution to defined contribution plans (excluding directors)             | <b>542</b>              | 452       |
|  | <b>11,702</b>           | 11,047    |
| Auditor's remuneration   | <b>81</b>               | 134       |
| Depreciation of property, plant and equipment                                | <b>868</b>              | 2,440     |
| Depreciation of right-of-use-assets  | <b>4,182</b>            | 4,182     |
| Rental expenses in respect of short-term lease                               | <b>274</b>              | 305       |
| Reversal of impairment loss on finance lease receivables                     | <b>(5)</b>              | (2,610)   |
| Impairment loss on trade and account receivables                             | <b>13,629</b>           | 15,856    |
| Impairment loss on factoring receivables                                     | <b>1,479</b>            | 831       |
| Impairment loss on loan and interest receivables                             | <b>923</b>              | 1,909     |
| Impairment loss on deposit and other receivables                             | <b>–</b>                | 2,269     |
| Gain on changes in fair value of held-for-trading investments                | <b>(76)</b>             | (32,839)  |
| Loss on disposal of held-for-trading investments                             | <b>156</b>              | –         |
| Share of results of an associate   | <b>–</b>                | 1,816     |

## 7 Finance costs

|                               | <b>Six months ended<br/>30 September</b> |                   |
|-------------------------------|--|-------------------|
|                               | <b>2024</b>                              | 2023              |
|                               | <b>HK\$'000</b>                          | HK\$'000          |
|                               | <b>Unaudited</b>                         | Unaudited         |
| Interest on lease liabilities | <u>200</u>                               | <u>462</u>        |
|                               | <b><u>200</u></b>                        | <b><u>462</u></b> |

## 8 Taxation

|                              | <b>Six months ended<br/>30 September</b> |                       |
|------------------------------|--|-----------------------|
|                              | <b>2024</b>                              | 2023                  |
|                              | <b>HK\$'000</b>                          | HK\$'000              |
|                              | <b>Unaudited</b>                         | Unaudited             |
| Current income tax           |  |                       |
| – Hong Kong profits tax      | –  | –                     |
| – PRC corporation income tax | <u>573</u>                               | <u>934</u>            |
|                              | <b>573</b>                               | 934                   |
| Deferred tax                 | <u>–</u>                                 | <u>(2,335)</u>        |
|                              | <b><u>573</u></b>                        | <b><u>(1,401)</u></b> |

### Hong Kong profits tax

Under the two-tiered profits tax rates regime, Hong Kong profits tax is 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 profits of other group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

No Hong Kong profits tax has been provided as the Group has no estimated assessable profits arising from Hong Kong for the six months ended 30 September 2024 and 2023.

### 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.

## 9 Interim dividends

The Directors do not recommend the payment of interim dividends for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

## 10 Profit/Loss per share

|  | <b>Six months ended</b>        |                       |
|--|--------------------------------|-----------------------|
|  | <b>30 September</b>            |                       |
|  | <b>2024</b>                    | 2023                  |
|  | <b>HK\$'000</b>                | HK\$'000              |
|  | <b>Unaudited</b>               | Unaudited             |
| (Loss)/Profit attributable to shareholders   | <b>(30,677)</b>                | 4,397                 |
| Weighted average number of ordinary shares,<br>for the purposes of calculating basic profit/(loss)<br>per share ( <i>shares in thousands</i> ) | <u><b>4,120,600</b></u>        | <u>4,120,600</u>      |
| Basic and diluted (loss)/profit per share  | <u><b>HK\$(0.74) cents</b></u> | <u>HK\$0.11 cents</u> |

As there are no dilutive potential ordinary shares outstanding as at 30 September 2024 and 2023, the diluted profit/loss per share is equal to the basic profit/loss per share.

## 11 Property, plant and equipment and investment property

During the period, the owner-occupied property included in property, plant and equipment with carrying value of approximately HK\$29,030,000 was transferred to investment property upon the change of usage of the property. As at the date of transfer, a fair value gain of approximately HK\$5,746,000 was recognised in other comprehensive income.

Except for the above-mentioned transfer, there was no significant acquisition or disposal of property, plant and equipment and investment property during the period.

## 12 Intangible assets and goodwill

| <b>Intangible assets</b> | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|--------------------------|---|---|
| Cost                     |   |   |
| Trading right            | <b>500</b>  | 500                                     |
| Licences                 | <b>21,000</b>   | 21,000                                  |
|                          | <b>21,500</b>   | 21,500                                  |
| Less: Impairment loss    | <b>(15,975)</b>   | (15,975)                                |
|                          | <b>5,525</b>  | 5,525                                   |

Trading right represents the right that allows the Group to trade securities in the Stock Exchange. Licences comprise the licences of Type 1, 2, 4 and 9 regulated activities under the Securities and Futures Ordinance.

| <b>Goodwill</b>       | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|-----------------------|---|---|
| Cost                  | <b>76,695</b>   | 76,695                                  |
| Less: Impairment loss | <b>(75,695)</b>   | (75,695)                                |
|                       | <b>1,000</b>  | 1,000                                   |

Goodwill arose from the acquisition of (i) 100% equity interest in Comercializadora Ven 2010 C.A Limited and its subsidiary ("Comercializadora Ven 2010") on 9 July 2014; and (ii) 100% equity interest in ChaoShang Financial Holding Limited and its subsidiaries ("ChaoShang Financial") on 31 December 2019.

### Impairment testing of intangible assets and goodwill

Intangible assets and goodwill have been allocated for impairment testing purposes to the following cash-generating units ("CGUs"):

- the operating activities of Comercializadora Ven 2010 which is engaged in finance leasing business (the "Comercializadora Ven 2010 CGU"); and
- the operating activities of ChaoShang Financial which is engaged in provision of financial services business (the "ChaoShang Financial CGU").

## 12 Intangible assets and goodwill (Continued)

The carrying amounts of intangible assets and goodwill allocated to the CGUs as at 30 September 2024 and 31 March 2024 are as follows:

| <b>As at 30 September 2024</b>       | <b>Intangible<br/>assets<br/>HK\$'000<br/>Unaudited</b> | <b>Goodwill<br/>HK\$'000<br/>Unaudited</b> | <b>Total<br/>HK\$'000<br/>Unaudited</b> |
|--------------------------------------|---|--|---|
| <b>Comercializadora Ven 2010 CGU</b> |   |  |   |
| Cost                                 | –   | 1,000                                      | 1,000                                   |
| Less: Impairment loss recognised     | –   | –  | –                                       |
|                                      | –   | 1,000                                      | 1,000                                   |
| <b>ChaoShang Financial CGU</b>       |   |  |   |
| Cost                                 | 21,500  | 75,695                                     | 97,195                                  |
| Less: Impairment loss recognised     | (15,975)  | (75,695)                                   | (91,670)                                |
|                                      | 5,525   | –  | 5,525                                   |
|                                      | 5,525   | 1,000                                      | 6,525                                   |
| <b>As at 31 March 2024</b>           |   |  |   |
|                                      | Intangible<br>assets<br>HK\$'000<br>Audited             | Goodwill<br>HK\$'000<br>Audited            | Total<br>HK\$'000<br>Audited            |
| <b>Comercializadora Ven 2010 CGU</b> |   |  |   |
| Cost                                 | –   | 1,000                                      | 1,000                                   |
| Less: Impairment loss recognised     | –   | –  | –                                       |
|                                      | –   | 1,000                                      | 1,000                                   |
| <b>ChaoShang Financial CGU</b>       |   |  |   |
| Cost                                 | 21,500  | 75,695                                     | 97,195                                  |
| Less: Impairment loss recognised     | (15,975)  | (75,695)                                   | (91,670)                                |
|                                      | 5,525   | –  | 5,525                                   |
|                                      | 5,525   | 1,000                                      | 6,525                                   |

## 12 Intangible assets and goodwill (Continued)

Intangible assets and goodwill with indefinite useful lives are tested for impairment at least annually or when there is impairment indicator. Details of impairment testing are set out below.

### ChaoShang Financial CGU

An independent professional valuer was engaged by the Company to perform an impairment test for intangible assets and goodwill allocated to the ChaoShang Financial CGU by comparing their recoverable amounts to their carrying amounts as at the end of the reporting period. The recoverable amounts of the ChaoShang Financial CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections was 12.5% (31 March 2024: 12.5%), and the cash flows beyond the five-year period were extrapolated using a growth rate of 2.5% (31 March 2024: 2.5%). Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted revenue and gross margin, such estimation is based on the past performance and management's expectations for the market development of the ChaoShang Financial CGU. There was no change in the basis on determination of the recoverable amounts as at 30 September 2024 and 31 March 2024.

Since the recoverable amounts of the ChaoShang Financial CGU determined based on value in use calculation exceeded than their carrying amounts, no further impairment loss was recognised during the period ended 30 September 2024 (six months ended 30 September 2023: Nil).

Goodwill has been fully impaired in prior years and impairment loss on intangible assets of approximately HK\$15,975,000 was recognised as at 30 September 2024 and 31 March 2024.

### Comercializadora Ven 2010 CGU

During the period, the management reviewed and assessed the value in use of the Comercializadora Ven 2010 CGU to determine its recoverable amount. No impairment loss was considered necessary for the Comercializadora Ven 2010 CGU (six months ended 30 September 2023: Nil).

**13 Loan and interest receivables**

|  | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|--|---|---|
| Loan receivables                                     | <b>180,717</b>  | 176,908                                 |
| Interest receivables                                 | <b>40,585</b>   | 32,267                                  |
|  | <hr/>   | <hr/>                                   |
| Loan and interest receivables                        | <b>221,302</b>  | 209,175                                 |
| Less: Impairment loss                                | <b>(46,304)</b>   | (44,738)                                |
|  | <hr/>   | <hr/>                                   |
|  | <b>174,998</b>  | 164,437                                 |
|  | <hr/>   | <hr/>                                   |
| Current portion of loan and interest receivables     | <b>112,366</b>  | 65,586                                  |
| Non-current portion of loan and interest receivables | <b>62,632</b>   | 98,851                                  |
|  | <hr/>   | <hr/>                                   |
|  | <b>174,998</b>  | 164,437                                 |
|  | <hr/>   | <hr/>                                   |
| Analysed as:   |   |   |
| Within one year                                      | <b>112,366</b>  | 65,586                                  |
| In the second to fifth years, inclusive              | <b>62,632</b>   | 98,851                                  |
|  | <hr/>   | <hr/>                                   |
|  | <b>174,998</b>  | 164,437                                 |
|  | <hr/>   | <hr/>                                   |

### 13 Loan and interest receivables (Continued)

The carrying amounts of loan and interest receivables are denominated in the following currencies:

|      | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|------|---|---|
| HK\$ | <b>35,414</b>   | 32,954                                  |
| RMB  | <b>139,584</b>  | 131,483                                 |
|      | <b>174,998</b>  | 164,437                                 |

Loan receivables are interest-bearing at approximately 8% to 18% (31 March 2024: 8% to 18%) and are repayable with fixed terms agreed with the Group's customers. The maturity date for each loan contract is normally not more than 3 years and is unsecured. The maximum exposure to credit risk at each of the reporting dates is the carrying value of the loan and interest receivables.

The Group applies the general approach to provide for ECL prescribed by HKFRS 9 for loan and interest receivables, which permits the use of the 12 months ECL provision for these loan and interest receivables, unless there has been a significant increase in credit risk since initial recognition, which the Group then recognises lifetime ECL. The management assessed the expected loss on all loan and interest receivables individually and the credit quality of loan and interest receivables has been assessed by reference to historical information about counterparty default rates.

The movement of provision for impairment on loan and interest receivables are as follows:

|                                      | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|--------------------------------------|---|---|
| At beginning of the reporting period | <b>44,738</b>   | 31,677                                  |
| Provision for impairment             | <b>923</b>  | 14,159                                  |
| Written off                          | –   | (116)                                   |
| Currency translation differences     | <b>643</b>  | (982)                                   |
| At end of the reporting period       | <b>46,304</b>   | 44,738                                  |

**14 Trade and account receivables**

|   | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|---|---|---|
| Receivables arising from securities broking business: |   |   |
| – Loans to margin clients                             | <b>41,532</b>   | 44,660                                  |
| – Clearing houses                                     | <b>89</b>   | 1                                       |
|   | <b>41,621</b>   | 44,661                                  |
| Less: Impairment loss                                 | <b>(31,272)</b>   | (28,499)                                |
|   | <b>10,349</b>   | 16,162                                  |
| Receivables arising from trading business             | <b>279,954</b>  | 245,638                                 |
| Less: Impairment loss                                 | <b>(43,147)</b>   | (31,125)                                |
|   | <b>236,807</b>  | 214,513                                 |
| Total trade and account receivables                   | <b>247,156</b>  | 230,675                                 |

**14 Trade and account receivables (Continued)**  
**Receivables arising from securities broking**

With regard to receivables arising from securities broking, the Group seeks to maintain tight control over its outstanding receivables and has procedures and policies to assess its clients' credit quality and define credit limits for each client. All client acceptances and credit limits are approved by designated approvers according to the clients' credit quality.

The normal settlement term of cash clients and clearing houses receivables arising from the ordinary course of business of securities broking is two trading days after the trade date.

Loans to margin clients are secured by the underlying pledged securities, repayable on demand and bear interest at commercial rates. As at 30 September 2024, the total market value of securities pledged as collateral in respect of the loans to margin clients amounted to approximately HK\$76,000,000 (31 March 2024: HK\$61,800,000). Securities are assigned with specific margin ratios for calculating their margin values.

**Receivables arising from trading business**

The Group's trade receivables are generally with credit periods of 60 to 120 days (31 March 2024: 60 to 120 days).

The maximum exposure to credit risk at each of the end of the reporting period is the carrying amount value of the trade and account receivables. The Group does not hold any collateral as security.

The carrying amounts of trade and account receivables are denominated in following currencies:

|      | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|------|---|---|
| HK\$ | <b>10,349</b>   | 16,162                                  |
| RMB  | <b>236,807</b>  | 214,513                                 |
|      | <b>247,156</b>  | 230,675                                 |

**14 Trade and account receivables (Continued)**

No ageing analysis of cash client 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 client receivables 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:

|                    | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|--------------------|---|---|
| 0 to 30 days       | <b>26,202</b>   | 16,871                                  |
| 31 to 60 days      | –   | 19,899                                  |
| 61 to 90 days      | –   | –                                       |
| 91 to 180 days     | <b>989</b>  | 2,653                                   |
| More than 180 days | <b>209,616</b>  | 175,090                                 |
|                    | <b>236,807</b>  | 214,513                                 |

The Group applies the simplified approach to provide lifetime ECL prescribed by HKFRS 9 for all trade and account receivables. The management assessed the expected loss on trade and account receivables individually.

The individually impaired trade and account receivables are recognised based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions and are adjusted for forward-looking information that is available without undue cost or effort. The maximum exposure to credit risk at each of the end of the reporting period is the carrying value of the trade and account receivables.

The movement of provision for impairment of trade and account receivables is as follows:

|   | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|---|---|---|
| At beginning of the reporting period                  | <b>59,624</b>   | 72,002                                  |
| Derecognition through de-registration of a subsidiary | –   | (13,235)                                |
| Provision for impairment                              | <b>13,629</b>   | 27,462                                  |
| Written off   | –   | (24,182)                                |
| Currency translation difference                       | <b>1,166</b>  | (2,423)                                 |
| At end of the reporting period                        | <b>74,419</b>   | 59,624                                  |

## 15 Factoring receivables

|                       | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|-----------------------|---|---|
| Factoring receivables | <b>18,870</b>   | 18,360                                  |
| Interest receivables  | <b>1,151</b>  | 639                                     |
|                       | <b>20,021</b>   | 18,999                                  |
| Less: Impairment loss | <b>(2,087)</b>  | (550)                                   |
|                       | <b>17,934</b>   | 18,449                                  |

The movement of provision for impairment of factoring receivables is as follows:

|  | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|--|---|---|
| At beginning of the reporting period                   | <b>550</b>  | 626                                     |
| Provision for impairment/(Reversal of impairment loss) | <b>1,479</b>  | (43)                                    |
| Currency translation differences                       | <b>58</b>   | (33)                                    |
| At end of reporting period                             | <b>2,087</b>  | 550                                     |

The carrying amounts of factoring receivables are denominated in RMB.

The Group applies the simplified approach to provide lifetime ECL prescribed by HKFRS 9 for factoring receivables. The management assessed the expected loss on factoring receivables individually. The maximum exposure to credit risk at each of the end of the reporting period is the carrying value of the factoring receivables.

## 16 Finance lease receivables

|  | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|--|---|---|
| Current portion of finance lease receivables     | <b>26,393</b>   | 26,080                                  |
| Non-current portion of finance lease receivables | <b>-</b>  | -                                       |
|  | <b>26,393</b>   | 26,080                                  |
| Less: Impairment loss                            | <b>(4,135)</b>  | (4,029)                                 |
|  | <b>22,258</b>   | 22,051                                  |

16 Finance lease receivables (Continued)

|  | Minimum finance lease receivables          |                                      | Present value of minimum finance lease receivables |                                      |
|--|--|--------------------------------------|--|--------------------------------------|
|  | 30 September 2024<br>HK\$'000<br>Unaudited | 31 March 2024<br>HK\$'000<br>Audited | 30 September 2024<br>HK\$'000<br>Unaudited         | 31 March 2024<br>HK\$'000<br>Audited |
| Within one year                                    | 26,393                                     | 26,089                               | 26,393   | 26,080                               |
| In the second to fifth years, inclusive            | -  | -                                    | -  | -                                    |
|  | <u>26,393</u>                              | <u>26,089</u>                        | <u>26,393</u>                                      | <u>26,080</u>                        |
| Less: Unearned finance income                      | -  | (9)                                  | N/A  | N/A                                  |
|  | <u>26,393</u>                              | <u>26,080</u>                        | <u>26,393</u>                                      | <u>26,080</u>                        |
| Present value of minimum finance lease receivables | 26,393                                     | 26,080                               | 26,393   | 26,080                               |
| Less: Impairment loss                              | (4,135)                                    | (4,029)                              | (4,135)  | (4,029)                              |
|  | <u>22,258</u>                              | <u>22,051</u>                        | <u>22,258</u>                                      | <u>22,051</u>                        |
| Less: Current portion of finance lease receivables |  |                                      | (22,258)   | (22,051)                             |
| Non-current portion of finance lease receivables   |  |                                      | -  | -                                    |

The movement of provision for impairment of finance lease receivables is as follows:

|                                      | 30 September 2024<br>HK\$'000<br>Unaudited | 31 March 2024<br>HK\$'000<br>Audited |
|--------------------------------------|--|--------------------------------------|
| At beginning of the reporting period | 4,029                                      | 13,262                               |
| Written off                          | -  | (5,191)                              |
| Reversal of provision for impairment | (5)  | (3,376)                              |
| Currency translation differences     | 111  | (666)                                |
|                                      | <u>4,135</u>                               | <u>4,029</u>                         |
| At end of the reporting period       | 4,135                                      | 4,029                                |

## 16 Finance lease receivables (Continued)

As at 30 September 2024 and 31 March 2024, the finance lease receivables were secured over the leased assets mainly by machineries and equipment. The carrying amounts of finance lease receivables are denominated in RMB.

The maturity date for each finance lease contract is normally not more than 5 years. The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The effective interest rate is approximately 10% to 15% (31 March 2024: 10% to 15%) per annum. The maximum exposure to credit risk at each of the end of the reporting period is the carrying value of the finance lease receivables.

There was no unguaranteed residual values of assets leased under finance leases as at 30 September 2024 and 31 March 2024. The Group applies the simplified approach to provide lifetime ECL prescribed by HKFRS 9 for finance lease receivables. The management assessed the expected loss on all finance lease receivables individually and the credit quality of finance lease receivables has been assessed by reference to historical information about counterparty default rates and fair value of collaterals, if any.

## 17 Cash and cash equivalents

|                          | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|--------------------------|---|---|
| Cash at bank and on hand | <b>98,158</b>   | 129,045                                 |

The carrying amounts of cash and bank balances are denominated in the following currencies:

|      | <b>30 September<br/>2024<br/>HK\$'000<br/>Unaudited</b> | 31 March<br>2024<br>HK\$'000<br>Audited |
|------|---|---|
| HK\$ | <b>32,053</b>   | 34,762                                  |
| US\$ | <b>1,083</b>  | 1,121                                   |
| EUR  | <b>4</b>  | 4                                       |
| RMB  | <b>65,018</b>   | 93,158                                  |
|      | <b>98,158</b>   | 129,045                                 |

The conversion of RMB-denominated balances into foreign currencies and the remittance of such foreign currencies denominated bank balances and cash out of the PRC are subject to relevant rules and regulation of foreign exchange control promulgated by the PRC government.

**18 Share capital**

**(a) Authorised capital**

|   | <b>Number of<br/>shares</b> | <b>Nominal<br/>value</b><br><i>HK\$'000</i> |
|---|-----------------------------|---|
| As at 1 April 2023, 31 March 2024 (audited) and<br>30 September 2024 (unaudited), ordinary shares<br>of HK\$0.02 each | <u>5,000,000,000</u>        | <u>100,000</u>                              |

**(b) Issued and fully paid capital**

|   | <b>Number of<br/>shares</b> | <b>Nominal<br/>value</b><br><i>HK\$'000</i> |
|---|-----------------------------|---|
| As at 1 April 2023, 31 March 2024 (audited) and<br>30 September 2024 (unaudited), ordinary shares<br>of HK\$0.02 each | <u>4,120,600,000</u>        | <u>82,412</u>                               |

**19 Account payables**

|  | <b>30 September<br/>2024<br/><i>HK\$'000</i><br/>Unaudited</b> | <b>31 March<br/>2024<br/><i>HK\$'000</i><br/>Audited</b> |
|--|--|--|
| Payables arising from securities broking business: |  |  |
| – Cash clients account payables                    | <b>4,565</b>   | 2,162  |
| – Margin clients account payables                  | <b>12,649</b>  | 11,715   |
| – Clearing houses                                  | <u>–</u>   | <u>32</u>  |
| Total trade and account payables                   | <u><b>17,214</b></u>   | <u>13,909</u>  |

The carrying amounts account payables are denominated in HK\$.

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

**20 Amount due to a Director**

Amount due to a Director is unsecured, interest free and repayable on demand.

The carrying amount is denominated in HK\$.

## 21 Related party transactions

In addition to the transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group entered into the following transactions with related parties during the period:

### (a) Transactions with related parties

| Related parties relationship  | Nature of transaction                                     | Six months ended<br>30 September |                               |
|---|---|----------------------------------|-------------------------------|
|   |   | 2024<br>HK\$'000<br>Unaudited    | 2023<br>HK\$'000<br>Unaudited |
| Associate company and companies controlled by the associate company | Rental income in relation to sub-lease of office premises | —                                | (975)                         |

### (b) Key management compensation

The remuneration of key management personnel of the Group during the period was as follows:

|  | 30 September<br>2024<br>HK\$'000<br>Unaudited | 30 September<br>2023<br>HK\$'000<br>Unaudited |
|--|---|---|
| Salaries, allowances and other benefits    | 3,557   | 4,370   |
| Contribution to defined contribution plans | 60  | 71  |
|  | <b>3,617</b>                                  | <b>4,441</b>                                  |

## 22 Commitments

### The Group as lessee

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

|                       | 30 September<br>2024<br>HK\$'000<br>Unaudited | 31 March<br>2024<br>HK\$'000<br>Audited |
|-----------------------|---|---|
| Not later than 1 year | 93  | 93                                      |

None of the leases include contingent rentals.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the shareholders of the Company at a special general meeting on 10 October 2024 and approved by the Registrar of Companies of Bermuda on 21 October 2024, the name of the Company has been changed from “Hong Kong ChaoShang Group Limited” to “Modern Innovative Digital Technology Company Limited” and the adoption of the Chinese name “新質數字科技有限公司” as the secondary name of the Company in replacement of “香港潮商集團有限公司” has become effective.

### FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$35.6 million with a gross profit of approximately HK\$12.2 million for the six months ended 30 September 2024 as compared to approximately HK\$88.0 million and HK\$11.4 million respectively for the last corresponding period. The loss for the current period was approximately HK\$30.7 million as compared to a profit of approximately HK\$4.4 million for the last corresponding period. The turnaround was mainly attributable to the net effect of the followings:

- (i) there were gains on changes in fair values of held-for-trading investments of approximately HK\$32.8 million recognised in the last corresponding period whilst the relevant gains were less than HK\$0.1 million during the current period;
- (ii) a decrease in aggregate amount of impairment losses on receivables of approximately HK\$2.2 million; and
- (iii) an increase in administrative expenses of approximately HK\$5.1 million.

As at 30 September 2024, the total assets and net assets of the Group amounted to approximately HK\$771.7 million (31 March 2024: HK\$767.6 million) and HK\$713.5 million (31 March 2024: HK\$723.8 million) respectively. The decrease in total assets and net assets were mainly caused by the loss for the period, as partially offset by the recognition of exchange gains due to the appreciation of Renminbi against Hong Kong Dollars and the gain on revaluation of owner-occupied property upon transfer to investment property during the current period.

### BUSINESS REVIEW

#### Trading Business

The Group is principally engaged in trading of foodstuff and electronic products in the PRC. The Group recorded a turnover of approximately HK\$23.7 million with a loss of approximately HK\$11.7 million from its trading business for the six months ended 30 September 2024 as compared to approximately HK\$76.8 million with a loss of approximately HK\$16.0 million for the same period in 2023. Despite the decrease in revenue, the decrease in the loss recorded for the current period was mainly caused by a decrease in provision for impairment losses for trade and accounts receivables.

## BUSINESS REVIEW (CONTINUED)

### Trading Business (Continued)

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, and that the quarterly GDP growth rate in the PRC being less than the targeted 5% for two consecutive quarters, the economic environment surrounding the Group's trading business was less than satisfactory. Although the PRC government announced a number of economic stimulus policies around the end of the reporting period, 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, leading to a significant decrease of turnover and revenue during the period.

Under such circumstances, the management of the Group 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\$10.7 million was provided for during the current period. 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.

### Money Lending and Factoring Business

The Group offers corporate and personal loans in Hong Kong and the PRC to businesses and 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 loan portfolio consists of loans with initial terms generally ranging from 1 to 3 years and 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.

## BUSINESS REVIEW (CONTINUED)

### Money Lending and Factoring Business (Continued)

The Group has loan portfolios in Hong Kong and the PRC with carrying amounts of approximately HK\$175.0 million and factoring receivables with carrying amounts of approximately HK\$17.9 million as at 30 September 2024. The Group recognised an aggregate interest income of approximately HK\$8.0 million and a profit of approximately HK\$3.2 million for the current period as compared to approximately HK\$8.6 million and HK\$3.5 million respectively for the last corresponding period. There were no significant changes in the loan portfolios and profitability of this segment for the current period as compared with the last corresponding period.

Collaterals and guarantors would be obtained from clients as appropriate on a case-by-case basis by considering the background, repayment ability and credit worthiness 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.

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, provision for impairment loss on loan and interest receivables amounted to approximately HK\$0.9 million was provided for during the current period.

### 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 carrying amount of approximately HK\$22.3 million as at 30 September 2024. The finance leasing portfolio has attributed a turnover of approximately HK\$1.9 million with a profit of approximately HK\$1.5 million to the Group during the current period as compared to approximately HK\$0.3 million and a profit of approximately HK\$1.7 million respectively for the last corresponding period. The profit in the last corresponding period mainly arose from the effort of the management of the Group in collection of the overdue amount from certain overdue clients and recorded a reversal of impairment loss on finance lease receivables of approximately HK\$2.7 million in the last corresponding period.

## BUSINESS REVIEW (CONTINUED)

### Finance Leasing Business (Continued)

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 finance lease was granted during the current period.

As previously reported, there were certain customers from the finance leasing business deeply impacted by the pandemic due to their industry nature, who default in repayments on schedules, and the Group has taken necessary legal proceedings to seize and safeguard the assets. The Group will closely monitor the creditworthiness of the clients and formulate appropriate actions for recovery of the other outstanding finance lease receivables.

### 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, renovation, computer software and trading and individuals. As at 30 September 2024, the Group's lending businesses has 19 clients with outstanding balances from different types of loans and fell within the following bands:

| <b>Types of loans</b> | <b>Number of customers</b> |
|-----------------------|----------------------------|
| Finance leases        | 3                          |
| Factoring loans       | 1                          |
| Corporate loans       | 7                          |
| Personal loans        | 8                          |
|                       | <hr/>                      |
|                       | 19                         |

| <b>Carrying amounts of loans</b> | <b>Number of loans</b> |
|----------------------------------|------------------------|
| Less than HK\$5,000,000          | 7                      |
| HK\$5,000,001 – HK\$10,000,000   | 2                      |
| HK\$10,000,001 – HK\$20,000,000  | 5                      |
| Above HK\$20,000,001             | 5                      |
|                                  | <hr/>                  |
|                                  | 19                     |

## BUSINESS REVIEW (CONTINUED)

### Loan Portfolio Summary (Continued)

As at 30 September 2024, the top five clients constituted approximately 52% 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:

- (i) 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;
- (ii) 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;
- (iii) 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;
- (iv) check the availability of guarantor(s), if any; and
- (v) 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.

## BUSINESS REVIEW (CONTINUED)

### Loan Portfolio Summary (Continued)

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 attributed a turnover of approximately HK\$2.1 million with a loss of approximately HK\$15.5 million to the Group during the current period, as compared to approximately HK\$2.2 million and a loss of approximately HK\$9.5 million respectively for the last corresponding period. The increase in loss recorded for the current period was mainly caused by the increase in administrative expenses and increase in provision for impairment loss on account receivables from margin clients.

The stock market was under-performed during the years. The market sentiment and economic downturn of Hong Kong attributed to the low levels of revenue from brokerage, margin financing and underwriting and placing during the current period. Nonetheless, the management has actively explored the possibility on other financial services in order to increase the Group's exposure within the capital markets, so as to enlarge the sources of income.

## BUSINESS REVIEW (CONTINUED)

### Financial Services Business (Continued)

During the Company's preparation of the condensed consolidated financial statements, based on the latest information available, 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, if any. Based on the impairment assessment on the assets of this business unit, taking into account of the provisions made in previous years, no further impairment was provided for the period.

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 December 2022. In May 2023, the Company and the vendors agreed on a settlement arrangement. 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 30 September 2024.

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

Looking forward, the Group will actively identify and explore other investment and business opportunities to broaden its assets and revenue base and may consider restructuring its business segments pursuant to the ever-changing economic environment in the PRC and Hong Kong. The Group may consider different fund-raising activities to finance such potential business development. The Group will cautiously search for investment opportunities so as to produce a steady growth in the Group's long term performance.

## LIQUIDITY, FINANCIAL RESOURCES AND GEARING

The Group generally finances its operations with internally generated resources.

As at 30 September 2024, the Group had cash and bank balances of approximately HK\$98.2 million (31 March 2024: approximately HK\$129.0 million) and total borrowings of approximately HK\$5.4 million (31 March 2024: approximately HK\$10.8 million). The Group's gearing ratio, calculated by dividing total borrowings by total equity, was 0.76% (31 March 2024: 1.49%) and liquidity ratio, being the ratio of current assets over current liabilities, was 10.51 (31 March 2024: 13.25) as at 30 September 2024.

The decrease in gearing ratio was mainly due to the decrease in lease liabilities. The decrease in liquidity ratio was mainly due to the increase in accruals and other payables.

## 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 did 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.

## INTERIM DIVIDENDS

The Board does not recommend the payment of interim dividends for the six months ended 30 September 2024.

## CAPITAL STRUCTURE

As at 30 September 2024, 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 period.

## CHARGES ON GROUP ASSETS

As at 30 September 2024, none of the Group's asset was pledged.

## SIGNIFICANT ACQUISITION AND DISPOSAL OF ASSETS

Save for the acquisition and disposal of held-for-trading investments in securities, there has been no significant acquisition and disposal of assets by the Group during the period.

## SECURITIES INVESTMENTS HELD

As at 30 September 2024, the Group had held-for-trading investments in securities in Hong Kong (the “Securities Investments”) with a market value of approximately HK\$13.0 million. Details of the Securities Investments as at 30 September 2024 are as follows:

| Company name                    | Stock code | Principal activities  | Number of shares held | % of shareholdings | Cost of acquisition<br>HK\$ '000 | Fair value as at 30 September 2024<br>HK\$ '000 | % of net assets of the Group as at 30 September 2024 | Gain/(Loss) on changes in fair value for the period<br>HK\$ '000 |
|---------------------------------|------------|---|-----------------------|--------------------|----------------------------------|---|--|--|
| 1 Huashi Group Holdings Limited | 1111       | Provision of branding, advertising and marketing service in PRC   | 22,608,000            | 2.93%              | 11,628                           | 6,104   | 0.86%  | (2,148)  |
| 2 SY Holdings Group Limited     | 6069       | Provision of digital financing solutions, platform-based services, supply chain technology services and sales of supply chain assets in PRC | 1,123,000             | 0.11%              | 4,804                            | 6,929   | 0.97%  | 2,224  |

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## CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2024.

## COMMITMENTS

Details of the Group’s commitments as at 30 September 2024 are set out in Note 22 to the condensed consolidated financial statements.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed 59 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.

## DIRECTORS' INTERESTS IN CONTRACTS

Save as the related party transactions as disclosed in Note 21 to the condensed consolidated financial statements, no contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries was a party in which a Director had a material interest, whether directly or indirectly, subsisted at 30 September 2024 or at any time during the period then ended.

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

As at 30 September 2024, the interests and short positions of the Directors and chief executives of the Company and their associates in the shares of the Company (the "Shares"), underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register as required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules were as follows:

### Directors' interest in the Company:

| Name of director | Number of shares                           | Approximate percentage of shareholding | Capacity                            |
|------------------|--|--|-------------------------------------|
| Ms. Zheng Juhua  | Long position 834,767,140 shares<br>(Note) | 20.26%                                 | Interest of controlled corporations |

Note: 834,767,140 shares were held by Superb Smart Limited (the "Superb Smart"), a company wholly and beneficially owned by Ms. Zheng Juhua, and accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant shares under the SFO.

Save as disclosed above, as at 30 September 2024, none of the Directors nor chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares and/or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the “Share Option Scheme” section below, at no time during the period was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of, the Company or any other body corporate, and none of the Directors, or their spouses or children under the age of eighteen, had any right to subscribe for the securities of the Company, or had exercised any such rights during the period ended 30 September 2024.

## SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2024, so far as it is known by or otherwise notified by any Director or chief executives of the Company, the particulars of the corporations or persons who had 5% or more interests in the following long positions in the Shares and underlying Shares as recorded in the register required to be kept under Section 336 of the SFO or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (the “Voting Entitlements”) (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

| Name of substantial shareholder | Number of shares                                 | Approximate percentage of shareholding | Capacity   |
|---------------------------------|--|--|--|
| Ms. Zheng Juhua                 | Long position 834,767,140 shares<br>(Notes (ii)) | 20.26%                                 | Interest of controlled corporations                      |
| Superb Smart Limited            | Long position 834,767,140 shares<br>(Notes (ii)) | 20.26%                                 | Beneficial owner   |
| Dragon Mind Holdings Limited    | Long position 341,132,000 shares<br>(Note (iii)) | 8.28%                                  | Beneficial owner   |
| Managecorp Limited              | Long position 341,132,000 shares<br>(Note (iii)) | 8.28%                                  | Trustee  |
| Mr. Zhang Lirui                 | Long position 341,132,000 shares<br>(Note (iii)) | 8.28%                                  | Founder of a discretionary trust                         |
| Mr. Lau Hoi Kit                 | Long position 245,896,000 shares<br>(Note (iii)) | 5.97%                                  | Beneficial owner and interest of controlled corporations |

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (CONTINUED)

Notes:

- (i) 834,767,140 shares were held by Superb Smart, a company wholly and beneficially owned by Ms. Zheng Juhua, an executive Director. Accordingly, Ms. Zheng Juhua is deemed to be interested in the relevant shares under the SFO.
- (ii) 341,132,000 shares were held by Dragon Mind Holdings Limited which is wholly-owned by a discretionary trust of which Mr. Zhang Lirui ("Mr. Zhang") is the settlor and Managecorp Limited ("Managecorp") is the trustee, and accordingly, Mr. Zhang and Managecorp are deemed to be interested in the relevant shares under the SFO.
- (iii) 197,296,000 shares were beneficially owned by Mr. Lau Hoi Kit and the remaining 48,600,000 shares were held by Costrade Group Limited, a company wholly and beneficially owned by Mr. Lau Hoi Kit. Accordingly, Mr. Lau Hoi Kit is deemed to be interested in all of the above mentioned relevant shares under the SFO. Mr. Lau Hoi Kit is a son of an executive Director, Ms. Zheng Juhua.

Save as disclosed above, the Directors are not aware of any other corporations or persons who, as at 30 September 2024, had the Voting Entitlements or any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under Section 336 of the SFO.

## SHARE OPTIONS SCHEME

Pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 28 September 2023 and the Stock Exchange granting approval of the listing of and permission to deal in the shares to be issued under the share option scheme (the "Share Option Scheme") on 29 September 2023, the Company adopted the Share Option Scheme in replacement of a share option scheme adopted on 2 September 2013 which had been expired on 1 September 2023. The Share Option Scheme shall be valid and effective for a period of 10 years from 28 September 2023, unless otherwise terminated. The followings is a summary of the Share Option Scheme:

### Purpose

The Share Option Scheme aims to provide the Company with a flexible and effective means of incentivising, rewarding, remunerating, compensating and/or providing benefits to the Directors, employees and other participants of the Company and the Group.

## SHARE OPTIONS SCHEME (CONTINUED)

### Participants

The Directors may, in accordance with the provisions of the Share Option Scheme and the Listing Rules, invite person(s) who or which is/are eligible to participate as grantee(s) and receive options under the Share Option Scheme, to take up share options to subscribe for shares.

### Maximum number of shares available for subscription

The total number of share options to be granted, at the beginning and end of the reporting period, under the Share Option Scheme shall not exceed 10% of the issued shares of the Company as at 28 September 2023, which was 412,060,000 shares, with a service provider sublimit at 1% of the issued shares of the Company as at 28 September, which was 41,206,000 shares. Upon approval by the shareholders, the Company may renew the scheme mandate limit, provided that each renewal shall not exceed 10% of the issued shares as at the date of approval by the shareholders, and a circular regarding the proposed renewal of the scheme mandate limit has been dispatched to the shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules. The aggregate maximum number of shares which may be issued upon exercise of share options granted under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of shares in issue from time to time.

### Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options under the Share Option Scheme) in any 12-month period must not exceed 1% of the issued share capital of the Company. Any excess over 1% shall be subject to the approval of the shareholders at general meeting with such participant and his/her close associates abstaining from voting and the Company shall issue a circular pursuant to relevant provisions of Chapter 17 of the Listing Rules.

### Time of acceptance and exercise of a share option

The grantee may accept the offer of the share option within twenty-one days from the date of the offer letter issued by the Company. The grantee shall pay HK\$1 as consideration for accepting the offer of the share option granted. The grantee may subscribe for shares during such period as may be determined by the Board (the said period shall not in whatever case be later than the last day of the 10-year period after the day on which the offer relating to the option is duly approved by the Board in accordance with the Share Option Scheme (subject to early termination)).

## SHARE OPTIONS SCHEME (CONTINUED)

### Minimum period for which an option must be held before it can be exercised

The vesting period of options granted under the Share Option Scheme shall be determined by the Board subject to a minimum period set out in the rules of the Share Option Scheme. Save for the circumstances prescribed in paragraph 6.5 of the Share Option Scheme, the vesting period for options granted under the Share Option Scheme shall not be less than twelve months.

### Basis for determining the exercise price

The exercise price of share option granted pursuant to the Share Option Scheme shall be determined by the Board and shall be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of offer, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the shares.

### The life of the Share Option Scheme

The Share Option Scheme will remain in force for ten years starting from 28 September 2023 (which can be terminated before expiration).

As at 30 September 2024 and up to the date of this report, no share options has been granted under the Share Option Scheme since its adoption.

## CORPORATE GOVERNANCE

The Company endeavors in maintaining good corporate governance for the enhancement of shareholders' value. The Company has adopted the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Listing Rules. The Company has complied with all the applicable code provisions in the CG Code throughout the six months ended 30 September 2024.

## PURCHASE, SALE OR REDEMPTION OF LISTED 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 six months ended 30 September 2024.

## DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the period under review and up to the date of this report, none of the Directors had interests in any businesses apart from the Group's businesses, which compete or are likely to compete, either directly or indirectly, with the Group's businesses that need to be disclosed pursuant to Rule 8.08 of the Listing Rules.

## MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' securities transactions.

Having made specific enquiry of all Directors, the Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 September 2024.

## AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Chi Chi Hung, Kenneth (Chairman), Mr. Yeung Yat Chuen and Mr. Chen Chao. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available and within the best knowledge of the Directors, the Company has complied with the sufficiency of public float requirement under the Listing Rules at any time during the reporting period and up to the date of this report.

## BOARD OF DIRECTORS

As at the date of this report, the Board comprises Mr. Ma Weihua as the Chairman and non-executive Director; Ms. Zheng Juhua, Mr. Chan Chi Yuen and Mr. Gong Huanghui as the executive Directors; and Mr. Chi Chi Hung, Kenneth, Mr. Yeung Yat Chuen and Mr. Chen Chao as the independent non-executive Directors.

## APPRECIATION

On behalf of the Board, I would like to thank all of our shareholders, employees, customers and suppliers for their continued support.

By order of the Board  
**MODERN INNOVATIVE DIGITAL TECHNOLOGY  
COMPANY LIMITED**  
**Mr. Ma Weihua**  
*Chairman*

Hong Kong, 29 November 2024