

30 July 2024

RC365 Holding plc
("RC365", the "Company" or the "Group")

Final Results and Publication of Annual Report

RC365 Holding plc (LSE: RCGH), an established payment solutions and fintech company, is pleased to announce its audited final results for the year ended 31 March 2024 and give notice of the publication of its annual report and accounts.

Financial Highlights

- Revenue increased by 30.2% to HK\$22.0 million (2023: HK\$16.9 million)
- Gross margin improved to 99.6% (2023: 94.7%)
- Operating loss reduced to HK\$3.9 million (2023: HK\$5.3 million loss)
- Cash generated from operating activities of HK\$7.5 million (2023: HK\$6.0 million used in operating activities)
- Cash and cash equivalents at 31 March 2024 were HK\$19.3 million (31 March 2023: HK\$9.5 million)

Operational & Strategic Highlights

- Growth across the business with increased sales from the delivery of IT support and development for payment and financial systems as well as from the provision of app-based payments and remittance services
- Expanded product offering alongside sustained development of existing solutions
 - Entered partnership agreements to offer custodian accounts and branded cards in association with MasterCard
 - Gained a Money Lenders Licence, post period, to be able to offer digital lending services, which are expected to be launched by the end of CY 2024
 - Undertook development of the existing RC2.0 App to provide additional functionality, such as virtual banking features, with the upgraded RC3.0 App expected to be launched by the end of CY 2024
- Entered new geographical markets, in line with stated strategy to expand in the ASEAN region, Japan and the UK
 - Won first customers in Malaysia and Japan - eight new customers secured as at year end
 - Signed agreements to issue and manage MasterCard card services for a leading enterprise in Japan and for a well-known entity in Malaysia, with over 1,000 cards issued to date
 - Entered partnership to establish a collaborative platform offering co-branded fintech solutions
 - Established RC365 Solutions subsidiary in Malaysia
- Acquired Mr. Meal Production Ltd, a provider of media and advertising services in Hong Kong, to support entry into new markets and raise awareness of the Group in the region

Chi Kit (Michael) LAW, Chief Executive Officer of RC365, said: "This was an excellent year for RC365. We delivered a significant increase in revenue, reflecting growth across our business, and were cash generative. We strengthened our existing product offering through establishing partnerships that enable us to offer custodian accounts and payment cards while taking important steps towards expanding into virtual banking, which we believe will be a key driver of future growth. We also achieved a number of milestones in executing on our strategy to expand geographically, securing our first customers and partnerships in Japan and Malaysia and establishing a subsidiary in Malaysia. These are large and growing target markets for our services. As a result of these achievements and our current pipeline of opportunities, the Board looks to the future with confidence and we look forward to updating the market on our progress."

For further information please contact:

RC365 Holding plc

Chi Kit LAW, Chief Executive Officer

T: +852 2251 1621

E: ir@rc365plc.com

Guild Financial Advisory Limited - Financial Adviser

Ross Andrews

T: +44 (0)7973 839767

E: ross.andrews@guildfin.co.uk

Evangeline Klaassen

T: +44 (0)7972 841276

E: evangeline.klaassen@guild.co.uk

Gracechurch Group - Financial PR

Harry Chathli, Claire Norbury, Heather Armstrong

T: +44 (0)204 582 3500
E: rc365@gracechurchpr.com

About RC365 Holding plc

RC365 Holding plc (LSE: RCGH) is an established payment solutions and fintech company. It operates primarily in East and Southeast Asia through its core subsidiaries of Regal Crown Technology and RCPAY, and the recently-established RC365 Solutions.

For over 10 years, the Company has delivered efficient and secure payment gateway solutions and IT support and development services for payment and financial systems, including ERP solutions. In 2021, it commenced providing digital remittance and payment services, which expanded to include foreign exchange and premium card solutions. These services are provided to multinational merchants, SMEs and individuals. RC365 intends to expand into the virtual banking market and geographically, including in the UK and wider Europe.

For more information, visit: <https://www.rc365plc.com>

Chairman's Statement

I have great pleasure in presenting our audited financial statements to the shareholders of RC365 Holding Plc for the year ended 31 March 2024.

The Group delivered year-on-year revenue growth of 30% to HK\$22.0 million (2023: HK\$16.9 million), reflecting increased sales across our business as well as the contribution from Mr. Meal Production Limited ("Mr. Meal") that we acquired during the year. The vast majority of Group revenue continued to be generated by our wholly-owned Regal Crown Technology Limited ("RCTech") subsidiary, where we provide cutting-edge IT support and development for payment and financial systems, including Enterprise Resource Planning ("ERP") solutions, to SME clients in Hong Kong and the ASEAN region.

However, a growing proportion of revenue is being accounted for by our newer activities, in line with our stated strategy, namely the provision of remittance and payment services, including foreign exchange and premium card solutions, by RCPAY Limited (UK) and RCPAY Limited (HK) ("RCPAY UK" and "RCPAY HK", collectively "RCPAY"), licensed payment service providers in the United Kingdom ("UK") and Hong Kong. During the year, RCPAY handled approximately HK\$47.0 million (2023: HK\$0.9 million) in providing payment and remittance services to clients (both individual and corporate) based in the UK and Asia.

The development of innovative products and services, as well as geographical expansion, to attract new customers remained a key focus for the Group. A number of new partnerships were established during the year to advance this goal.

Thanks to the increased revenue and improvement in gross margin to 99.6% (2023: 94.7%), operating loss was significantly reduced to HK\$3.9 million (2023: HK\$5.3 million). Loss before tax was HK\$36.8 million (2023: HK\$5.4 million), which reflects the fair value loss on an equity instrument - a non-cash expense. We are also pleased to report a cash inflow from operating activities of HK\$7.5 million compared with an outflow of HK\$6.0 million for 2023 and an increase in cash and cash equivalents to HK\$19.3 million at year end (31 March 2023: HK\$9.5 million).

Now, let's look at some of the major activities undertaken during the year in more detail.

1. Development of Artificial Intelligence

The Group entered an agreement with YouneeqAI Technical Services Inc ("YouneeqAI") an artificial intelligence based personalisation platform that improves customer experience (YQAI: OTC US). This agreement gives RC365 the exclusive rights to YouneeqAI's platform in the UK and a right for the first refusal to purchase additional territories in the 24 months following the signing of the agreement. The consideration is to be satisfied by the issue of 6,000,000 new Ordinary Shares, of which 3,000,000 were issued on signing with the balance to be issued on or around 1 October 2024. In addition to the consideration, YouneeqAI shall receive 1% of any and all gross revenue (excluding VAT) generated from the use of the platform by RC365.

2. Development of Japan and Malaysia market

A key development this year was our expansion into the Japanese and Malaysian markets, with RCPAY HK and RCTech successfully attracting new customers in Japan and Malaysia, forming partnerships and the Group establishing a Malaysian subsidiary. We signed agreements to issue and manage MasterCard card services for a leading enterprise in Japan and for a well-known entity in Malaysia. RCPAY HK also signed a memorandum of understanding with Koperasi Usaha Maju Kuala Berhad ("KOMAJU"), a Malaysian organisation focused on helping its members embrace digital technology to enhance their operational efficiency. Through this partnership, we will establish a collaborative platform offering co-branded fintech solutions for corporate and SME clients, both domestically and on an international basis. The Group had successfully secured eight new customers in Malaysia and Japan as at the year end.

In addition, the Company established a new, wholly-owned subsidiary, RC365 Solutions Sdn Bhd, in Malaysia. The new entity will enable the centralisation of the IT activities undertaken across the Group as well as provide a base for further expansion in Malaysia and the ASEAN region.

3. Acquisition of Mr. Meal Production Limited

The Group acquired 100% of the issued share capital of Mr. Meal, a company providing media and advertising services in Hong Kong, for a total consideration of HK\$2.0 million, satisfied by a combination of cash and the issue of new Ordinary Shares. The acquisition has assisted the Group's entry into new rapidly growing industries and has increased public awareness of the Group's business activities, which we intend to leverage as we expand our presence in the region.

4. Expansion of service offerings

RCPAY HK entered into agreements with Hong Kong based financial institutions, Unitrust Global Limited and Key Solution Venture Limited ("KSV"). The agreement with Unitrust Global Limited enables RCPAY HK to offer Custodian Accounts to its Hong Kong customers, attracting large corporates and high net worth clients. The agreement with KSV permits RCPAY HK to issue branded cards in association with MasterCard to Hong Kong residents. In addition to the agreements noted above with customers in Japan and Malaysia, the Company has successfully issued over 1,100 cards to date.

5. Joint development of existing mobile application

RCTech signed an agreement with an associated company of Hatcher Group Limited ("Hatcher") for the development and upgrade of the Group's existing RC2.0 App to an advanced RC3.0 App. The associated company of Hatcher paid HK\$15.0 million on signing the agreement and, following the upgrade, the associated company of Hatcher and RC365 will be entitled to an equal share of any profit generated through the operation of the RC3.0 App. Once launched, the RC3.0 App will provide users with additional functionality, such as virtual banking facilities, enterprise resource planning and blockchain features. RC2.5 was officially launched to the market in March 2024 and it is expected that the RC3.0 App will be launched at the end of the 2024 calendar year.

6. Issuance of Convertible Loan Note

The Group entered into a Convertible Loan Note agreement with Mill End Capital for the issuance of up to GBP4.0 million. In a high inflation environment and a 30-year high lending rate, the issuance of a convertible note with zero interest rate is an attractive option in order to support the Group's anticipated CAPEX and OPEX growth plans. As at the date of the signing of this report, RC365 has drawn down GBP1.0 million of the facility of which GBP0.5 million has been converted through the issuance of new Ordinary Shares.

Greenhouse Gas (GHG) Emissions

As the Company has not consumed more than 17,731 kWh of energy in the year period, it qualifies as a low energy user under SI 2018/1155 and is not required to report on its emissions, energy consumption or energy efficiency activities.

Strategy

Our vision remains unchanged, which is to grow our share of our existing markets, develop new capabilities and enter new geographies within the fast growing and attractive industries in which we operate.

In particular, we intend to focus on growing our presence in Japan, the ASEAN region and the UK; broaden our offering to include virtual banking and expand our card solutions; and explore new product innovations that leverage Web 3.0 and artificial intelligence. A key element in achieving this will be establishing strategic partnerships with global companies in the fintech ecosystem, which we significantly progressed during the year.

Post year-end

RCTech successfully received conditional approval from the Trade and Industry Department of the Hong Kong SAR Government for a grant of HK\$0.9 million. This grant will facilitate the Group's projects in Malaysia as we continue to expand our operations within the region.

In addition, we gained a Money Lenders Licence ("MLL") in Hong Kong, which allows us to provide money lending services to our customers and represents progress on our strategy to expand our offering into virtual banking. We expect to launch the service by the end of the current calendar year as an app-based product. We gained the MLL via the acquisition of the entire issued share capital of HC Capital Group Ltd, the licence holder, for a cash consideration of HK\$0.23 million.

Outlook

The Board continues to be optimistic about the outlook for FY 2025 given the advances made during FY 2024 and our growing pipeline of potential opportunities for further growth.

Finally, we would like to take this opportunity to thank our shareholders for their continued support and we look forward to reporting on our progress as we deliver on our growth strategy.

Robert Cairns
Non-Executive Chairman
29 July 2024

Financial Review

Revenue increased by 30.2% year-on-year to HK\$22.0 million (2023: HK\$16.9 million). The largest contributor to growth was RCTech, but there was a meaningful contribution from Mr. Meal, which was acquired during the year, alongside an increase in revenue generated by RCPAY. RCTech continued to account for the majority of total revenue, but with a growing proportion being generated by the Group's newer activities, in line with its stated strategy.

Gross margin improved to 99.6% (2023: 94.7%). This reflects the cost of a number of one-off software licence agreements in the prior year.

Operating expenses and staff costs increased to HK\$22.6 million (2023: HK\$20.2 million), which reflects the Group expanding its operations, which was partly offset by a reduction in subcontracting fees due to an exceptional project in the prior year. As previously announced, once the Group's RC365 Solutions subsidiary becomes fully operational, it will perform certain IT services that had previously been outsourced to a provider in China, which is expected to further

significantly reduce subcontracting costs.

Operating loss was reduced to HK\$3.9 million (2023: HK\$5.3 million loss), which reflects the increased revenue and gross margin partly offset by an increase in depreciation and amortisation expenses to HK\$3.2 million (2023: HK\$1.1 million).

The Group recognised a fair value loss on financial assets of HK\$33.5 million (2023: HK\$41.1 thousand gain). This primarily represents the reduction in value of an equity instrument. As a result, loss before tax was HK\$36.8 million (2023: HK\$5.4 million loss).

As noted in the Chairman's Statement above, the Group entered into a convertible loan note agreement during the year for up to GBP4.0 million. As at the date of this report, RC365 has drawn down GBP1.0 million of the facility of which GBP0.5 million has been converted through the issuance of new Ordinary Shares.

As at 31 March 2024, the Group had net current assets of HK\$3.2 million (31 March 2023: HK\$24.6 million), with the change primarily reflecting the convertible loan note facility, and net assets of HK\$31.6 million (31 March 2023: HK\$31.0 million).

The Group is pleased to note that it generated net cash from operating activities of HK\$7.4 million (2023: HK\$6.0 million used in). Net cash used in investing activities was HK\$2.7 million (2023: HK\$7.0 million). Net cash generated from financing activities was HK\$4.6 million (2023: HK\$1.2 million used in), primarily reflecting the proceeds from the issue of convertible loan notes.

Accordingly, cash and cash equivalents increased to HK\$19.3 million as at 31 March 2024 (31 March 2023: HK\$9.5 million).

Publication of Annual Report

The Company's annual report and accounts for the year ended 31 March 2024 has been published today and is available on the Financial Reports page of the RC365 website at: <https://www.rc365plc.com/FinancialReports>

Consolidated statement of comprehensive income for the year ended 31 March 2024

	Notes	31 March 2024	31 March 2023
		HK\$	HK\$
Revenue	4	22,029,649	16,883,559
Cost of sales		(87,228)	(898,533)
Gross profit		21,942,421	15,984,826
Other income	5	1,026,203	330,010
Subcontracting fee paid	7	(5,677,221)	(8,457,204)
Staff costs	8	(8,419,266)	(4,928,904)
Other operating expenses		(9,567,043)	(7,116,420)
Depreciation on property, plant and equipment and right-of-use assets and amortisation of intangible assets	7	(3,210,772)	(1,065,313)
Operating loss		(3,905,678)	(5,253,005)
Fair value gain on contingent consideration - consideration shares		874,478	-
Fair value (loss)/gain on financial assets at FVPL		(33,511,816)	41,064
Finance charges	6	(208,662)	(166,510)
Loss before income tax	7	(36,751,678)	(5,378,451)
Income tax expense	9	(128,762)	-
Loss for the year		(36,880,440)	(5,378,451)

Loss per share - basic and diluted (HK\$)	10	(29.00 cents)	(4.96 cents)
--	----	----------------------	---------------------

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

**Consolidated statement of comprehensive income
for the year ended 31 March 2024**

	31 March 2024	31 March 2023
	HK\$	HK\$
Loss for the year	(36,880,440)	(5,378,451)
Other comprehensive income, net of tax		
Items that may be reclassified subsequently to profit or loss:	594,955	265,012
Exchange differences on translation of financial statements of foreign operations	594,955	265,012
Total comprehensive loss for the year	(36,285,485)	(5,113,439)

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

**Consolidated statement of financial position
as at 31 March 2024**

	Notes	2024	2023
		HK\$	HK\$
ASSETS			
Non-current assets			
Goodwill	11	759,289	-
Loan receivables	17	3,257,981	-
Intangible assets	12	23,513,372	6,184,803
Property, plant and equipment	13	457,213	61,057
Right-of-use assets	14	503,955	204,684
		28,491,810	6,450,544
Current assets			
Financial assets at FVPL	15	1,017,248	1,041,064
Deposit and prepayments	16	2,980,887	3,788,412
Trade and other receivables	16	34,862,948	17,698,025
Loan receivables	17	-	294,500
Cash and cash equivalents	18	19,318,967	9,548,364
		58,180,050	32,370,365
Current liabilities			
Trade and other payables	19	14,488,885	2,288,347

Borrowings	20	4,539,862	5,299,556
Lease liabilities	21	412,284	135,711
Convertible loan note	22	35,402,946	-
Tax payables		111,030	-
		54,955,007	7,723,614
Net current assets		3,225,043	24,646,751
 Non-current liabilities			
Lease liabilities	21	65,529	65,143
Contingent consideration - consideration share		70,486	-
		136,015	65,143
Net assets		31,580,838	31,032,152
 EQUITY			
Share capital	23	29,925,945	28,801,920
Share premium		49,329,087	16,576,592
Group reorganisation reserve		589,836	589,836
Convertible loan note reserve		2,957,651	-
Translation reserve		323,731	(271,224)
Accumulated losses		(51,545,412)	(14,664,972)
Total equity		31,580,838	31,032,152

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

Approved by the Board and authorised for issue on 29 July 2024.

Robert Cairns
Director
Company Registration number: 13289422

Consolidated statement of changes in equity for the year ended 31 March 2024

	Share capital	Share premium	Translation reserves	Group reorganisation reserves	Convertible loan note reserve	Accumulated losses	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 April 2022	11,500,995	16,576,592	(536,236)	750,476	-	(9,286,521)	19,005,306
 Loss for the year	-	-	-	-	-	(5,378,451)	(5,378,451)
Exchange difference on consolidation	-	-	265,012	-	-	-	265,012

Total comprehensive expenses	-	-	265,012	-	-	(5,378,451)	(5,113,439)
Acquisition of subsidiaries under common control	-	-	-	(160,640)	-	-	(160,640)
Issue of share capital	17,300,925	-	-	-	-	-	17,300,925
At 31 March 2023 and at 1 April 2023	28,801,920	16,576,592	(271,224)	589,836	-	(14,664,972)	31,032,152
Loss for the year	-	-	-	-	-	(36,880,440)	(36,880,440)
Exchange difference on consolidation	-	-	594,955	-	-	-	594,955
Total comprehensive expenses	-	-	594,955	-	-	(36,880,440)	(36,285,485)
Issue of share capital	1,124,025	32,752,495	-	-	-	-	33,876,520
Issue of convertible loan note	-	-	-	-	2,957,651	-	2,957,651
At 31 March 2024	29,925,945	49,329,087	323,731	589,836	2,957,651	(51,545,412)	31,580,838

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 March 2024

	31 March 2024	31 March 2023
	HK\$	HK\$
Cash flows from operating activities		
Loss before income tax	(36,751,678)	(5,378,451)
Adjustments for:		
Amortisation of intangible assets	2,711,515	475,957
Depreciation of property, plant and equipment	115,212	12,614
Depreciation of right-of-use-assets	384,045	576,742
Written-off of property, plant and equipment	50,239	-
Written-off of right-of-use-assets	136	-
Gain on termination of lease agreement	-	(38,132)
Impairment loss on loan receivables	42,019	-
Fair value loss/(gain) on financial assets at FVPL	33,511,816	(41,064)
Interest income	(597,441)	(13,649)
Fair value gain on contingent consideration - consideration shares	(874,478)	-
Net gain on disposal of financial assets at FVPL	(80,883)	-
Finance charges	208,662	166,510
Operating cashflow before working capital changes	(1,280,836)	(4,239,473)
(Increase)/decrease in trade and other receivable	(1,825,163)	736,523
Decrease/(Increase) in deposits and prepayments	844,045	(3,635,536)
(Increase)/decrease in loan receivables	(1,705,500)	405,500

Increase in trade and other payables	11,447,945	754,846
--------------------------------------	------------	---------

Cash generated from/ (used in) operating activities	7,480,491	(5,978,140)
--	------------------	-------------

Income tax paid	(35,769)	-
-----------------	----------	---

Net cash generated from/ (used in) operating activities	7,444,722	(5,978,140)
--	------------------	-------------

Cash flow from investing activities

Acquisition of intangible assets	(2,738,575)	(6,524,760)
----------------------------------	-------------	-------------

Acquisition of property, plant and equipment	(65,380)	(67,951)
--	----------	----------

Purchase of financial assets at FVPL	-	(1,000,000)
--------------------------------------	---	-------------

Proceeds from disposal of financial assets at FVPL	379,496	-
--	---------	---

Net cash (outflow)/ inflow for the acquisition of subsidiaries	(545,826)	546,139
--	-----------	---------

Interest received	297,441	13,649
-------------------	---------	--------

Net cash used in investing activities	(2,672,844)	(7,032,923)
--	--------------------	-------------

Cashflow from financing activities

Interest paid	(175,755)	(149,430)
---------------	-----------	-----------

Repayment of bank borrowings	(759,694)	(500,444)
------------------------------	-----------	-----------

Proceeds from issue of convertible loan note	5,967,000	-
--	-----------	---

Rental paid for lease liabilities	(439,400)	(547,650)
-----------------------------------	-----------	-----------

Net cash from/ (used in) financing activities	4,592,151	(1,197,524)
--	------------------	-------------

Net increase/ (decrease) in cash and cash equivalents	9,364,029	(14,208,587)
--	------------------	--------------

Effect of exchange rate changes	406,574	340,190
---------------------------------	---------	---------

Cash and cash equivalents at beginning of the year	9,548,364	23,416,761
--	-----------	------------

Cash and cash equivalents at the end of the year	19,318,967	9,548,364
---	-------------------	-----------

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements.

**Notes to the consolidated financial statements
for the year ended 31 March 2024**

1. GENERAL INFORMATION

RC365 Holding Plc (the "Company") was incorporated as a private limited company on 24 March 2021 in the United Kingdom ("UK") under the Companies Act 2006. The Company acted as a holding company and converted to a public limited company on 22 September 2021. The address of the registered office is Cannon Place, 78 Cannon Street, London, United Kingdom, EC4N 6AF. The Company was listed on the Standard List of the London Stock Exchange ("LSE") on 23 March 2022.

The principal activity of the Company is to act as an investment holding company. The Company together with its subsidiaries (the "Group") are mainly engaged in provision of IT software development and payment solutions, remittance and payment services, and provision of media production services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

On 31 December 2020, International Financial Reporting Standards ("IFRS") as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. RC365 Holding Plc adopted the UK-adopted International Accounting Standards in its Group and parent company financial statements for the current and comparative periods.

These Group and parent company financial statements were prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements of the Group and parent company have been prepared on accrual basis and under historical cost convention except for financial assets at fair value through profit or loss ("FVPL") which are measured at fair value as explained in the accounting policies set out below. The financial statements are presented in Hong Kong Dollars ("HK\$"), which is the Group's functional and presentational currency, and rounded to the nearest dollar.

2.2 New Standards and Interpretations

No new standards, amendments or interpretations, effective for the first time for the period beginning on or after 1 April 2023 have had a material impact on the Group and the parent company.

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IAS 1	Classification of liabilities as current or non-current	1 January 2024
IAS 1	Amendments - Non-current liabilities with covenants	1 January 2024
IFRS 16	Amendments - Leases on sale and leaseback	1 January 2024
IAS 7 & IFRS 17	Amendments - Supplier finance arrangements	1 January 2024
ISA 21	Amendments - Lack of exchangeability	1 January 2025
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS10 & IAS 28	Amendments - Sales or contribution of assets between an investor and its associate/joint venture	To be determined

2.3 Going Concern

The Group meets its day to day working capital requirement through use of cash reserves and bank borrowings. The directors (the "Directors") have considered the applicability of the going concern basis in the preparation of the consolidated financial statements. This included review of forecasts which show that the Group should be able to sustain its operation within the level of its current debt and equity funding arrangements.

The Group incurred a loss of HK\$36,880,440 for the year ended 31 March 2024. This included a fair value loss on financial assets at FVPL of HK\$33,511,816 as disclosed in note 15(b). The loss (excluding a fair value loss on financial assets at FVPL) was HK\$3,368,624 for the year ended 31 March 2024. On the other hand, the remittance service fee and topup service fee earned by RCPAY Limited (Hong Kong and UK), Regal Crown Technology Limited has a large customer, Junca Japan LLC, in providing approximately USD280,000 for 18 months for the MasterCard Whitelabel program. The business development team expects that there will be another 3-4 sizeable customers similar to Junca Japan LLC from the Japan region to enrol for the MasterCard Whitelabel program on the coming 6 to 9 months. The management team of the Group would like to state that the Group has a strong cash flow (approximately HK\$9 million for 2023 and approximately HK\$19 million for 2024) through the issuance of a convertible bond with remaining approximately GBP3 million for the coming 9 months.

Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue operation for the foreseeable future for the reason they have adopted a going concern basis in the preparation of the consolidated financial statements.

2.4 Basis of consolidation

i) Business combination not under common control

The Group applies the acquisition method to account for business combinations not under common control. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred by the former owners of the acquiree and the equity interest issued by the Group, as appropriate. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination not under common control are measured initially at their fair values at the acquisition date. Acquisition-related costs are expensed as incurred.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests (if applicable). Total comprehensive income is attributed to the owners of the Company and the non-controlling interest (if applicable) even if this results in the non-controlling interest having a deficit balance. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

ii) Merger accounting for common control combinations

The Company acquired its 100% interest in Regal Crown Technology Limited ("RCTech") on 31 August 2021 by way of a share for share exchange. This is a business combination involving entities under common control and the consolidated financial statements are issued in the name of the Group but they are a continuance of those of RCTech. Therefore the assets and

liabilities of RCTech have been recognised and measured in these consolidated financial statements at their pre combination carrying values. The equity structure appearing in these consolidated financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to effect the consolidation. The difference between consideration given and net assets of RCTech at the date of acquisition is included in a group reorganisation reserve.

On 28 June 2022 and 7 November 2022, the Group acquired 100% equity interest of RCPay Ltd (Hong Kong) ("RCPay HK"), Regal Crown Technology (Singapore) Pte Ltd ("RC Singapore") and RCPAY Limited ("RCPay UK"), respectively from Mr. Chi Kit Law. As RCPay HK, RC Singapore, RCPAY UK and the Group are under common control of Mr. Chi Kit Law before and after the acquisition, the acquisition and the business combination have been accounted for as a business combination under common control.

In the consolidated financial statements, the results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Intra-Group transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated in preparing the consolidated financial statements. Profits and losses resulting from the inter-Group transactions that are recognised in assets are also eliminated. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary.

2.5 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into the Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

2.6 Contingent consideration

Contingent consideration to be transferred by the Group as the acquirer in a business combination is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

2.7 Goodwill

Goodwill arising on an acquisition of a subsidiary is measured at the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interests in the acquiree over the acquisition date

fair value of any previously held equity interests in the acquired over the acquisition date amounts of the identifiable assets acquired and the liabilities assumed of the acquired subsidiary.

Goodwill on acquisition of subsidiary is recognised as a separate asset and is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units ("CGU"). An impairment loss on goodwill is not reversed.

On the other hand, any excess of the acquisition date amounts of identifiable assets acquired and the liabilities assumed of the acquired subsidiary over the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, if any, after reassessment, is recognised immediately in profit or loss as an income from bargain purchase.

Any resulting gain or loss arising from remeasuring the previously held equity interests in the acquiree at the acquisition-date fair value is recognised in profit or loss or other comprehensive income, as appropriate.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.8 **Property, plant and equipment**

Property, plant and equipment (other than cost of right-of-use assets as described in note 2.12) are stated at acquisition cost less accumulated depreciation and impairment losses. The acquisition cost of an asset comprises of its purchase price and any direct attributable costs of bringing the assets to the working condition and location for its intended use. Depreciation of assets commences when the assets are ready for intended use.

Depreciation on property, plant and equipment, is provided to write off the cost over their estimated useful life, using the straight-line method, at the following rates per annum:

Furniture & Fixtures	20% per annum
Leasehold Improvement	20% per annum
Office Equipment	20% per annum

The assets' depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

The gain or loss arising on the retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

2.9 **Intangible assets**

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2.10 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classifies financial assets at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

ii) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt Instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

(iv) Impairment

The Company assesses, on a forward looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses ("ECL") to be recognised from initial recognition of the receivables.

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

Financial liabilities

The Group's financial liabilities include lease liabilities, trade and other payables, borrowings, contingent consideration and convertible loan note.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Convertible loan note

The component of the convertible loan note that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of issue costs. The corresponding dividends on those shares are charged as interest expense in profit or loss.

On the issue of the convertible loan note, the fair value of the liability component is determined using a market rate for a similar note that does not have a conversion option; and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in the convertible loan note equity reserve within shareholders' equity, net of issue costs. The value of the conversion option carried in equity is not changed in subsequent years. When the conversion option is exercised, the balance of the convertible loan note equity reserve is transferred to share capital or other appropriate reserve. When the conversion option remains unexercised at the expiry date, the balance remained in the convertible loan note equity reserve is transferred to accumulated profits/losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Issue costs are apportioned between the liability and equity components of the convertible loan note based on the allocation of proceeds to the liability and equity components when the instruments are first recognised. Transaction costs that relate to the issue of the convertible loan note are allocated to the liability and equity components in proportion to the allocation of proceeds.

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.12 Lease

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contracts contain an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

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

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

On the consolidated statement of financial position, right-of-use assets and lease liabilities have been presented separately.

2.13 Equity

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the amount paid for equity shares over the nominal value.
- "Translation reserve" comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities to HK\$.
- "Group reorganisation reserve" arose on the group reorganisation.
- "Accumulated losses" include all current period results as disclosed in the income statements.

No dividends are proposed for the year.

2.14 Revenue recognition

Revenue arises mainly from contracts for IT software development.

To determine whether to recognise revenue, the Group follows a 5-step process:

Step 1: Identifying the contract with a customer.

Step 2: Identifying the performance obligations.

Step 3: Determining the transaction price.

Step 4: Allocating the transaction price to the performance obligations.

Step 5: Recognising revenue when/as performance obligation(s) are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accrued on the contract liability under the effective interest method.

Further details of the Group's revenue and other income recognition policies are as follows:

Services income

Revenue from IT software development is recognised over time as the Group's performance creates and enhances an asset that the customer controls. The progress towards complete satisfaction of a performance obligation is measured based on input method, i.e. the costs incurred up to date compared with the total budgeted costs, which depict the Group's performance towards satisfying the performance obligation.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Remittance and payment service fee income

Remittance and payment service fee income are recognised at the time the related services are rendered.

Media production service income

Media production service income is recognised on an appropriate basis over the relevant period in which the services are rendered.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Contract assets and contract liabilities.

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of

time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For certain services provided by the Group, in accordance with the underlying service agreements which negotiated on a case-by-case basis with customer, the Group may receive from the customer the whole or some of the contractual payments before the services are completed or when the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

2.15 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to income is presented in gross under other income in the consolidated statement of profit or loss and other comprehensive income.

2.16 Impairment of non-financial assets

Property, plant and equipment (including right-of-use assets) and the Company's interests in subsidiaries are subject to impairment testing.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

Impairment loss is reversed if there has been a favourable change in the estimates used to determine the assets' recoverable amount and only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.17 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group participates in various defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by governments or trustee-administered funds. A defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior years. The Group's contributions to the defined contribution plans are recognised as an expense in profit or loss as employees render services during the year.

Short-term employee benefits

Liability for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

2.18 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Company if:

- (a) the party is a person or a close member of that person's family and if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity and if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group.
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) the entity and the Group are joint ventures of the same third party.
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) the entity is controlled or jointly controlled by a person identified in (a).
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

2.19 Accounting for income taxes

Taxation comprises current tax and deferred tax.

Current tax is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.20 Earnings per ordinary share

The Company presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per ordinary share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of ordinary shares outstanding during the reporting period.

Diluted earnings per ordinary share is calculated by adjusting the earnings and number of ordinary shares for the effects of dilutive potential ordinary shares.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive board of Directors.

All operations and information are reviewed together. During the year, in the opinion of the Directors, there is only one reportable operating segment of IT software development in Hong Kong due to its significant portion of operation among all business activities.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 2, Directors have made the following judgement that might have significant effect on the amounts recognised in the consolidated financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

Discount rate of lease liabilities and right-of-use assets determination

In determining the discount rate, the Group is required to exercise considerable judgement in relation to determining the discount rate taking into account the nature of the underlying assets, the terms and conditions of the leases, at the commencement date and the effective date of the modification. The Group's rate is referenced to the related party bank borrowing in Hong Kong.

Fair value measurements and valuation processes

Some of the Group's financial assets are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 and Level 2 inputs are not available, the Group engages an independent firm of professional valuers to perform the valuation. In relying on the valuation report, the Directors have exercised their judgement and are satisfied to establish the appropriate valuation techniques and inputs to the model. The fluctuation in the fair value of the assets and liabilities is reported and analysed periodically.

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Judgement and estimation are required in establishing the relevant valuation techniques and the relevant inputs thereof. Whilst the Group considers these valuations are the best estimates, the ongoing changes in market conditions that may result in greater market volatility and may cause further disruptions to the investees'/issuers' businesses, which have led to higher degree of uncertainties in respect of the valuations in the current year. Changes in assumptions relating to these factors could result in material adjustments to the fair value of these consolidated financial instruments. Detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various assets and liabilities are set out in note 15, 22, 24 and 26.6.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the CGU to which the goodwill is allocated. Estimating the value in use requires the management to choose a suitable valuation model and make estimation of the key valuation parameter and other relevant business assumptions.

4. REVENUE

The Group is engaged in provision of IT software development and payment solutions, remittance and payment services and provision of media production services in Hong Kong. Revenue was principally derived from IT software development and payment solutions for both years.

5. OTHER INCOME

2024	2023
HK\$	HK\$

Government subsidy (note)	110,000	263,200
Gain on termination of lease agreement	-	38,132
Sundry income	237,879	15,029
Net gain on disposal of financial assets at FVPL	80,883	-
Interest income	597,441	13,649
	1,026,203	330,010

Note: During the year ended 31 March 2024, the Group received funding support amount HK\$110,000 (2023: HK\$263,200) from the Animation Support Program, set up by the Government of the Hong Kong Special Administrative Region. The purpose of the funding is to provide financial support to enterprises for producing animation works.

6. FINANCE CHARGES

	2024	2023
	HK\$	HK\$
Finance charges on lease liabilities	32,907	17,080
Interest on bank loan	175,755	149,430
	208,662	166,510

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2024	2023
	HK\$	HK\$
Subcontractors' fee	5,677,221	8,457,204
Amortisation of intangible assets	2,711,515	475,957
Depreciation		
- Property, plant and equipment	115,212	12,614
- Right-of-use assets	384,045	576,742

During the year the Group obtained following audit and non-audit services:

	2024	2023
	HK\$	HK\$
Audit services:		
Statutory audit - Group and Company	589,964	190,000
Non-audit services		
Accountancy review fee - Group and Company	19,668	11,894

8. STAFF COSTS AND DIRECTOR'S EMOLUMENTS

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2024	2023
	HK\$	HK\$
Wages, salaries and other employee benefits	8,161,460	4,804,428
Contributions to defined contribution plans	257,282	124,476
Housing allowances	524	97,500

The average number of persons employed by the Group (including Directors) was 25 during the year (2023: 11).

The Directors' remuneration for the year was as follows:

	2024	2023
	HK\$	HK\$
Fees	-	-
Other emoluments	2,683,561	3,201,425

9. INCOME TAX EXPENSE

	2024	2023
	HK\$	HK\$
Tax expense for the year	128,762	-

UK corporation tax is calculated at 19% of the estimated assessable profit for the year (2023: Nil).

Hong Kong Profits Tax calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for the year (2023: Nil). Deferred tax assets have not been recognised in respect of these losses due to the unpredictability of future taxable profits streams of the subsidiaries in Hong Kong.

Reconciliation between tax expense and accounting profit at applicable tax rates:

	2024	2023
	HK\$	HK\$
Loss before taxation	(36,751,678)	(5,378,451)
Tax at applicable income tax rate	42,975	(959,244)
Tax effect of non-deductible expense	269,383	870,841
Tax effect of non-taxable income	(124,820)	(55,096)
Tax effect on temporary differences	305,071	65,880
Tax effect of tax losses not recognised	359,313	77,619
Utilisation of tax losses brought forward	(687,192)	-
Tax reduction	(6,000)	-
Tax at applicable concessionary rate	(29,968)	-
Income tax expense	128,762	-

10. EARNINGS PER SHARE

	2024	2023
	HK\$	HK\$
Loss attributable to equity shareholders	(36,880,440)	(5,378,451)
Weighted average number of ordinary shares	127,181,165	108,500,249

Loss per share in HK\$:

Basic	(29.00 cents)	(4.96 cents)
Diluted	(29.00 cents)	(4.96 cents)

There were no potential dilutive ordinary shares in existence during the years ended 31 March 2024 and 2023, and hence diluted earnings per share is the same as the basic earnings per share.

11. GOODWILL

	2024	2023
	HK\$	HK\$
Cost and net carrying amount		

At 1 April	-	-
Additions	759,289	-
At 31 March	759,289	-

Goodwill was derived from the acquisition of 100% equity interests in Mr. Meal Production Limited ("Mr. Meal") and its subsidiary (together the "Mr. Meal Group") at an aggregate consideration of HK\$2,000,000 in July 2023. The excess of the consideration transferred over the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed of HK\$759,289 is recognised as goodwill. At 31 March 2024, the Group assessed the recoverable amount of the goodwill with reference to the cash flow projection of Mr. Meal for the next twelve months and determined that no impairment of goodwill was required.

12. INTANGIBLE ASSETS

Development cost	HK\$
Cost	
At 31 March 2023 and 1 April 2023	6,660,760
Additions	19,938,476
Exchange realignment	104,400
At 31 March 2023	26,703,636

Accumulated amortisation	
At 31 March 2023 and 1 April 2023	475,957
Charge for the year	2,711,515
Exchange realignment	2,792
At 31 March 2024	3,190,264

Net Book Value	
At 31 March 2024	23,513,372
At 31 March 2023	6,184,803

The above intangible assets have definite useful lives. Such intangible assets are amortised on a straight-line basis ranged over 5 years and 10 years.

13. PROPERTY, PLANT AND EQUIPMENT

	Office equipment	Leasehold improvement	Furniture & fixtures	Total
	HK\$	HK\$	HK\$	HK\$
Cost				
At 31 March 2023 and 1 April 2023	273,004	-	31,000	304,004
Additions	-	-	65,380	65,380
Acquisition of a subsidiary	433,099	100,000	-	533,099
Written off	(45,040)	-	(5,199)	(50,239)
Exchange realignment	-	1,474	-	1,474
At 31 March 2024	661,063	101,474	91,180	853,718

Accumulated Depreciation	
At 31 March 2023 and 1 April 2023	240,057
Charge for the year	83,610
Acquisition of a subsidiary	38,499
Exchange realignment	-
At 31 March 2024	362,166
	20,295
	14,044
	396,505

Net Book Value	
At 31 March 2024	298,897
	81,179
	77,137
	457,213

14. RIGHT-OF-USE ASSETS

Lease assets	HK\$
Cost	
At 31 March 2023 and 1 April 2023	981,425
Additions	746,470
Written off	(906,683)
At 31 March 2024	821,212
<hr/>	
Accumulated Depreciation	
At 31 March 2023 and 1 April 2023	776,741
Charge for the year	384,045
Written off	(843,528)
At 31 March 2024	317,258
<hr/>	
Net Book Value	
At 31 March 2024	
At 31 March 2023	

15. FINANCIAL ASSETS AT FVPL

		2024	
	Notes	HK\$	HK\$
Convertible bonds with put option	15(a)	-	1,041,064
Equity investments listed in Hong Kong	15(b)	1,017,248	-
		1,017,248	1,041,064

(a) The Group invested in convertible bonds in a principal amount of HK\$1,000,000 with the maturity date on 2 January 2024. The convertible bonds carry interest at 10% per annum. The convertible bonds will be convertible into shares of the bond issuer at the option of the Group upon the bond issuer being listed on the Hong Kong Stock Exchange on or before 13 March 2024. Exact number of shares to be issued upon conversion will depend on the total number of shares of the bond issuer at the time of conversion and the amount of shares of the bond issuer at the time of conversion and the amount of the convertible bonds to be converted into shares. The put option may be exercised by the Group if and only if the exercise event occurs to require the issuer to purchase all but not part of the convertible bonds. During the year ended 31 March 2024, fair value loss on convertible bonds will put option of HK\$41,064 was recognised in profit or loss.

(b) On 22 February 2023, the Company as issuer entered into a share subscription agreement with Hatcher Group Limited (a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange, stock code: 8365) (the "Subscriber" or "Hatcher Group"), pursuant to which the Subscriber has conditionally agreed to subscribe for , and the Company has conditionally agreed to issue and allot, an aggregate of 18,000,000 shares at the subscription price of £0.19 per subscription share for a total consideration of £3,420,000 (the "Subscription"). The consideration for the Subscription shall be settled by the Subscriber by way of the issue and allotment of an aggregate of 38,640,000 shares of the Subscriber at the issue price of HK\$0.90 per share to the Company upon completion of the Subscription.

The Subscription was completed on 17 April 2023 and the consideration was settled by way of issue and allotment of an aggregate of 38,640,000 shares of the Subscriber at the issue price of HK\$0.90 each, totalling HK\$34,776,000.

On 27 October 2023, the Company disposed of an aggregate of 8,000,000 shares. Net gain on disposal of equity investments of HK\$80,883 was recognised in profit or loss.

The fair values of the equity investments were determined on the basis of quoted market bid price at the end of the reporting period.

During the year ended 31 March 2024, fair value loss on equity investments of HK\$33,470,752 was recognised in profit or loss.

Details of the fair value measurements are set out in note 26 to the consolidated financial statements.

16. TRADE AND OTHER RECEIVABLES AND DEPOSIT AND PREPAYMENT

	Notes	2024	2023
		HK\$	HK\$
Trade receivables (note)	16(a)	2,349,282	-
Other receivables		32,513,666	17,698,025
Deposit and prepayment		2,980,887	3,788,412
		37,843,835	21,486,437

Note:

(a) The Group allows an average credit period of 14 days to its trade customers. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory trustworthy credit history. Credit limits attributed to customers are reviewed regularly.

Age of trade receivables that are past due but not impaired are as follows:

	2024	2023
	HK\$	HK\$
Overdue by:		
0 - 30 days	931,282	-
31 - 60 days	150,000	-
61 - 90 days	435,000	-
Over 90 days	342,500	-
	1,858,782	-

Trade receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, the Directors believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

As at 31 March 2024 and 2023, no ECL has been provided for trade and other receivables, deposit and prepayment. The Group does not hold any collateral over these balances.

The Directors consider that the fair values of trade and other receivables, and deposit and prepayment are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

17. LOAN RECEIVABLES

	2024	2023
	HK\$	HK\$
Receivables:		
- within one year	-	294,500
- in the second to fifth years inclusive	3,300,000	-
	3,300,000	294,500
Less: Amount shown under current assets	-	(294,500)
Balance due after one year	3,300,000	-
Less: Impairment losses	(42,019)	-
	3,257,981	-

The loans to independent third parties are unsecured, bearing interest at 10% (2023: 0.1%) per annum and with fixed terms of repayment. The Directors consider that the fair values of loan receivables are not materially different from their carrying amounts.

18. CASH AND CASH EQUIVALENTS

	2024	2023
	HK\$	HK\$
Cash and bank balance	19,318,967	9,548,364

19. TRADE AND OTHER PAYABLES

	2024	2023
	HK\$	HK\$
Trade payables	1,751,682	235,726
Accrued charges and other payables	2,215,699	354,038
Contract liabilities	8,424,227	750,035
Amount due to a director	2,097,277	948,548
	<hr/> 14,488,885	<hr/> 2,288,347

The amount due to a director is unsecured, interest free and repayable on demand.

Contract liabilities represent receipt in advance from a customer in relation to its projects placed with the Group. Changes in contract liabilities primarily relate to the Group's performance of services under the projects.

All amounts are short-term and hence the carrying values of trade and other payables are considered not materially different from their fair value.

20. BORROWINGS

	2024	2023
	HK\$	HK\$
Bank loans - secured	4,539,862	5,299,556
Presented by:		
- Carrying amount repayable on demand or within one year	785,841	763,429
- Carrying amount repayable after one year with repayment on demand clause	3,754,021	4,536,127
	<hr/> 4,539,862	<hr/> 5,299,556
Less: Amount shown under current liabilities	(4,539,862)	(5,299,556)
Non-current liabilities	-	-

Bank borrowings are variable interest bearing borrowings which carry interest at 2.5% below Prime Rate per annum. At 31 March 2024, the banking facilities were secured by the joint and several guarantees given by Mr. Chi Kit Law, the ultimate controlling party of the Company.

21. LEASE LIABILITIES

The following table illustrates the remaining contractual maturities of the lease liabilities:

	2024	2023
	HK\$	HK\$
Total minimum lease payments:		
Due within one year	432,300	142,100

Due in the second to fifth years	66,000	67,050
	498,300	209,150
Future finance charges on lease liabilities	(20,487)	(8,296)
	477,813	200,854
Present value of lease liabilities		
Present value of liabilities:		
Due within one year	412,284	135,711
Due in the second to fifth years	65,529	65,143
	477,813	200,854
Less: Portion due within one year included under current liabilities	(412,284)	(135,711)
Portion due after one year included under non-current liabilities	65,529	65,143

The Group entered into lease arrangements for car parking space and office with contract period of two years. The Group makes fixed payments during the contract periods. At the end of the lease terms, the Group does not have the option to purchase the properties and the leases do not include contingent rentals.

22. CONVERTIBLE LOAN NOTE

The convertible loan note recognised at the end of the reporting period are calculated as follows:

	2024	2023
	HK\$	HK\$
Liability component		
At 1 April	-	-
Fair value of liabilities component at date of issue	35,265,495	-
Interest expenses	-	-
Conversion of convertible loan note	-	-
Exchange realignment	137,451	-
	35,402,946	-
At 31 March	35,402,946	-
Portion classified as non-current	-	-
Current portion	35,402,946	-
Equity component		
At 1 April	-	-
Fair value of convertible loan note at date of issue	2,957,651	-
Conversion of convertible loan note	-	-
	2,957,651	-
At 31 March	2,957,651	-

On 2 March 2024, the Group entered into an unsecured convertible loan note with an independent third party (the "lender" or "Noteholder"). The convertible loan note bears no interest with nominal value of GBP4,000,000. The Group may redeem all of the convertible loan note outstanding by paying to the Noteholder in immediately available cleared funds an amount equal to 120% of the outstanding amount of the convertible loan note.

The fair values of the liability component and the equity conversion component were determined at issuance of the convertible loan note. The fair value of the liability component was calculated using cash flows and payoffs discounted at a market interest rate. The value of the conversion option, representing the value of equity component, is credited to a convertible loan note reserve.

The market interest rate is based on comparable bonds with similar credit rating and maturity. It is assumed to be constant along the holding period of the convertible loan note. The fair value assessment of the convertible loan note was performed by an independent professional valuer.

For more details of the terms of convertible loans, please refer to the announcement dated on 4 March 2024.

23. SHARE CAPITAL

	2024	2023
	HK\$	HK\$
Issued shares:		
At the beginning of the reporting period	28,801,920	11,500,995
Issue of shares	1,124,025	17,300,925
At the end of the reporting period	29,925,945	28,801,920

On 22 February 2023, the Company as issuer entered into a share subscription agreement with Hatcher Group Limited (a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange, stock code: 8365) (the "Subscriber"), pursuant to which the Subscriber has conditionally agreed to subscribe for , and the Company has conditionally agreed to issue and allot, an aggregate of 18,000,000 shares at the subscription price of £0.19 per subscription share for a total consideration of £3,420,000 (the "Subscription"). The consideration for the Subscription shall be settled by the Subscriber by way of the issue and allotment of an aggregate of 38,640,000 shares of the Subscriber at the issue price of HK\$0.90 per share to the Company upon completion of the Subscription.

On 22 February 2023, 9,500,000 shares at £0.19 each were issued and allotted by the Company to the Subscriber.

As at 31 March 2023, 9,500,000 shares had been issued and allotted by the Company to the Subscriber. Completion of the Subscription took place on 17 April 2023.

On 3 April 2023, the Company further issued and allotted 8,500,000 shares at £0.19 each to the Subscriber and the Subscription was completed in April 2023.

On 7 September 2023, 3,000,000 shares at £0.58 each were issued and allotted by the Company to the Subscriber.

24. BUSINESS COMBINATION UNDER COMMON CONTROL

a) Acquisition of RCPay HK

On 28 June 2022, the Group acquired 100% equity interest in RCPay HK at a cash consideration of £1 from the ultimate controlling party. As the Group and RCPay HK are under the common control of Mr. Chi Kit Law before and after the acquisition, the business combination has been accounted as a business combination under common control.

The Group elects to account for the common control combination using the pooling-of-interest method and the results of RCPay HK are consolidated by the Group from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The difference between the cash consideration and the carrying amount of the net assets of RCPay HK at the completion date is recognised in group reorganisation reserve amounting to HK\$24,792.

Details of the carrying amounts of the assets and liabilities of RCPay HK at the date of acquisition are as follows:

	At 28 June 2022
	HK\$
Right-of-use assets	461,391
Trade and other receivables	73,600
Cash and cash equivalents	63,362
Trade and other payables	(107,335)
Lease liabilities	(466,216)
Net assets	24,802

Merger reserve recognised	(24,792)
	10
Net cash inflow arising on the acquisition:	
Consideration	(10)
Cash and cash equivalents acquired	63,362
	63,352

b) Acquisition of RC Singapore

On 28 June 2022, the Group acquired 100% equity interest in RC Singapore at a cash consideration of £1 from the ultimate controlling party. As the Group and RC Singapore are under the common control of Mr. Chi Kit Law before and after the acquisition, the business combination has been accounted as a business combination under common control.

The Group elects to account for the common control combination using the pooling-of-interest method and the results of RC Singapore are consolidated by the Group from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The difference between the cash consideration and the carrying amount of the net liabilities of RC Singapore at the completion date is recognised in group reorganisation reserve amounting to HK\$112,395.

Details of the carrying amounts of the assets and liabilities of RC Singapore at the date of acquisition are as follows:

	At 28 June 2022
	HK\$
Trade and other receivables	14,879
Cash and cash equivalents	276,116
Trade and other payables	(403,380)
Net liabilities	(112,385)
Merger reserve recognised	112,395
	10

Net cash inflow arising on the acquisition:

Consideration	(10)
Cash and cash equivalents acquired	276,116
	276,106

c) Acquisition of RCPAY UK

On 7 November 2022, the Group acquired 100% equity interest in RCPAY UK at a cash consideration of £1 from the ultimate controlling party. As the Group and RCPAY UK are under the common control of Mr. Chi Kit Law before and after the acquisition, the business combination has been accounted as a business combination under common control.

The Group elects to account for the common control combination using the pooling-of-interest method

and the results of RCPAY UK are consolidated by the Group from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The difference between the cash consideration and the carrying amount of the net liabilities of RCPAY UK at the completion date is recognised in group reorganisation reserve amounting to HK\$73,037.

Details of the carrying amounts of the assets and liabilities of RCPAY UK at the date of acquisition are as follows:

	At 7 November 2022
	HK\$
Cash and cash equivalents	206,691
Trade and other payables	(279,718)
Net liabilities	(73,027)
Merger reserve recognised	73,037
	10

Net cash inflow arising on the acquisition:

Consideration	(10)
Cash and cash equivalents acquired	206,691
	206,681

d) Acquisition of Mr. Meal Group

On 12 July 2023 (the "Completion Date"), the Group entered into sale and purchase agreements (the "Agreement") with certain independent third parties (the "Vendors") pursuant to which the Group and the Vendors both agree to acquire/ sell the entire equity interests of Mr. Meal Group (the "Mr. Meal Acquisition"). Mr. Meal Group is primarily engaged in the provision of media production services.

Pursuant to the Agreement, the consideration of the Mr. Meal Acquisition is to be satisfied by the Group as follows:

(i) Initial consideration

HK\$1,000,000 to be paid in cash on completion of the Group being registered as the sole shareholder of Mr. Meal with the Companies Registry in Hong Kong and all the existing key employees shall have entered into the retention agreement with Mr. Meal;

(ii) Contingent consideration

HK\$1,000,000 to be settled by the allotment of 915 new ordinary shares (determined according to the closing price of the Company's shares listed on the London Stock Exchange on the Completion Date) of the Company (the "Consideration Shares"). The Consideration Shares are contingent on the retention of key employees for a 12-month period and if satisfied will be issued 18 months after the Completion Date of the Mr. Meal Acquisition.

Details of the carrying amounts of the assets and liabilities of Mr. Meal Group at the date of acquisition are as follows:

	At 12 July 2023
	HK\$
Consideration	
Cash paid	1,000,000
Contingent consideration - Consideration Shares	1,000,000
	2,000,000

Recognised amounts of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	494,600
Deposits and prepayments	36,099
Trade and other receivables	1,047,000
Cash and cash equivalents	454,174
Trade and other payables	(791,162)
Net assets of Mr. Meal Group	1,240,711
Goodwill arising on acquisition	759,289

Net cash outflow arising on the acquisition:

	HK\$
Cash consideration paid	(1,000,000)
Cash and cash equivalents acquired	454,174
	(545,826)

The value of the Consideration Shares is mainly based on the trading price of the Company and the relevant indicators, which considered as significant inputs to the valuation. At 31 March 2024, the fair value of the Consideration Shares is estimated to be HK\$70,486.

The movements of the Consideration Shares are as follows:

	HK\$
Initial recognition on 12 July 2023	1,000,000
Fair value changes	(874,478)
Exchange realignments	(55,036)
	70,486

25. MAJOR NON-CASH TRANSACTIONS

- i) Following note 23 to the financial statements, the Subscription was completed on 17 April 2023, 8,500,000 shares at £0.19 each had been issued and allotted by the Company to the Subscriber. As a result, there was an increase in share capital of HK\$827,475, increase in share premium of HK\$15,849,145, increase in financial assets at FVPL of HK\$34,776,000 and decrease in other receivables of HK\$18,099,380, respectively.
- ii) During the year ended 31 March 2024, the Group entered into acquisition agreement in respect of the addition to intangible assets of 17,199,900, which was financed by way of the issue and allotment of an aggregate of 3,000,000 shares at £0.58 each to the Subscriber. As a result, there was an increase in share capital of HK\$296,550 and increase in share premium of HK\$16,903,350, respectively.
- iii) During the year ended 31 March 2024, the Group entered into the financial lease arrangements in respect of the office, resulted in an increase in the right-of-use assets and lease liabilities of HK\$746,470 respectively.

26. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

There has been no change to the types of the Group's exposure in respect of financial instruments or the

manner in which it manages and measures the risks.

26.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2024	2023
	HK\$	HK\$
Financial assets		
<i>Financial assets at fair value</i>		
- Financial assets at FVPL	1,107,248	1,041,064
<i>Financial assets at amortised costs</i>		
- Trade receivables	2,349,282	-
- Other receivables	32,513,666	17,698,025
- Deposit and prepayment	1,682,543	3,788,412
- Loan receivables	3,257,981	294,500
- Cash and cash equivalents	19,318,967	9,548,364
	60,229,687	25,314,128
<hr/>		

	2024	2023
	HK\$	HK\$
Financial liabilities		
<i>Financial liabilities at amortised cost</i>		
- Trade payables	1,751,682	235,726
- Accrued charges and other payables	-	354,038
- Contract liabilities	8,424,227	750,035
- Amount due to a director	2,097,277	948,548
- Lease liabilities	477,812	200,854
- Borrowings	4,539,862	5,299,556
- Convertible loan note	35,402,946	-
	52,693,806	7,788,757
<hr/>		

26.2 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has no significant exposure to foreign currency risk as substantially all of the Group's transactions are denominated in the functional currency of respective subsidiaries.

26.3 Interest rate risk

The Group has no significant interest-bearing assets. Cash at bank earns interest at floating rates based on daily bank deposits rates.

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings. It is the Group's policy to keep its borrowings at floating rate of interest to minimize the fair value interest rate risk. The Group currently does not have hedging policy. However, the Directors monitor interest rate exposure and will consider necessary action when significant interest rate exposure is anticipated.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate borrowings. The analysis is prepared assuming the borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to Directors and represents Directors' assessment of the reasonably possible change in interest rates. If

interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's pre-tax loss for the year would increase/decrease by HK\$45,399 (2023: HK\$52,996). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

26.4 Credit risk

The Group's exposure to credit risk mainly arises from granting credit to customers and other counterparties in the ordinary course of its operations. The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position at 31 March 2024 refers to the carrying amount of financial assets as disclosed in note 26.1.

The exposures to credit risk are monitored by the Directors such that any outstanding debtors are reviewed and followed up on an ongoing basis. The Group's policy is to deal only with creditworthy counterparties. Payment record of customers is closely monitored. Normally, the Group does not obtain collateral from debtors.

Trade receivables

The Group has applied the simplified approach to assess the ECL as prescribed by IFRS 9. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the past due days. In calculating the ECL rates, the Group considers historical elements and forward looking elements. Lifetime ECL rate of trade receivables is assessed minimal for all ageing bands as there was no recent history of default and continuous payments were received. The Group determined that the ECL allowance in respect of trade receivables for the years ended 31 March 2024 and 2023 is minimal as there has not been a significant change in credit quality of the customers.

Other financial assets at amortised cost

Other financial assets at amortised cost include deposits, other receivables, loan receivables and cash and cash equivalents.

The Directors are of opinion that there is no significant increase in credit risk on deposits, other receivables, loan receivables and cash and cash equivalents since initial recognition as the risk of default is low after considering the factors as following:

- any changes in business, financial or economic conditions that affects the debtor's ability to meet its debt obligations;
- any changes in the operating results of the debtor;
- any changes in the regulatory, economic, or technological environment of the debtor that affects the debtor's ability to meet its debt obligations.

The Group has assessed that the ECL for deposits, other receivables and loan receivables are minimal under the 12-months ECL method as there is no significant increase in credit risk since initial recognition. The credit risk with related parties is limited because the counterparties are fellow subsidiaries. The Directors have assessed the financial position of these related parties and there is no indication of default.

The credit risk for cash and cash equivalents are considered negligible as the counterparties are reputable banks with high quality external credit ratings.

26.5 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's prudent policy is to regularly monitor its current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its liquidity requirements in the short term and longer term.

Analysed below are the Group's remaining contractual maturities for its non-derivative financial liabilities as at the reporting date. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date when the Group is required to pay. Where settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

	Carrying amount HK\$	Within 1 year or on demand HK\$	Over 1 year but within 5 years HK\$	Over 5 years HK\$	Total contractual undiscounted cash flow HK\$
2024					
- Trade and other payables	3,967,381	3,967,381	-	-	3,967,381
- Amount due to a director	2,097,277	2,097,277	-	-	2,097,277
- Lease liabilities	477,812	432,300	66,000	-	498,300
- Bank borrowings	4,539,862	937,440	4,062,240	-	4,999,680
Convertible loan notes	25,000,000	25,000,000	-	-	25,000,000

- Convertible loan note	33,402,740	33,402,740	-	-	33,402,740
	46,485,278	42,837,344	4,128,240	-	46,965,584
2023					
- Trade and other payables	1,339,799	1,339,799	-	-	1,339,799
- Amount due to a director	948,548	948,548	-	-	948,548
- Lease liabilities	200,854	142,100	67,050	-	209,150
- Bank borrowings	5,299,556	930,552	3,722,208	1,240,736	5,893,496
	7,788,757	3,360,999	3,789,258	1,240,736	8,390,993

26.6 Fair values measurement

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the consolidated financial statements on a recurring basis across the three levels of the fair value hierarchy defined in IFRS 13 "Fair Value Measurement" with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

(a) Assets measured at fair value

During the year, there were no transfer between Level 1 and Level 2, nor transfer into and out of Level 3 fair value measurements.

(b) Assets and liabilities with fair value disclosure, but not measured at fair value

The carrying amounts of financial assets and liabilities that are carried at amortised costs are not materially different from their fair values at the end of each reporting period.

27. CAPITAL MANAGEMENT

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

The Group actively and regularly reviews and manages its capital structure and makes adjustments in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or raises new debt financing.

28. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2024.

29. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2024.

30. ULTIMATE CONTROLLING PARTY

The Directors are of the opinion that the ultimate controlling party was Mr. Chi Kit Law as at 31 March 2024.

31. RECLASSIFICATION

Certain comparative figures have been reclassified to conform to the current year presentation.

32. EVENTS AFTER THE REPORTING DATE

On 3 April 2024, pursuant to the convertible loan note agreement, further 2,023,439 shares of the Company were issued and allotted at £0.01 each to the Subscriber.

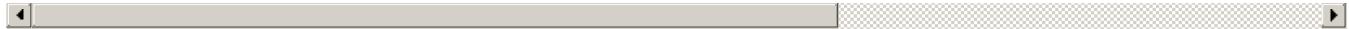
On 23 April 2024, pursuant to the convertible loan note agreement, further 3,409,090 shares of the Company were issued and allotted at £0.01 each to the Subscriber.

On 25 April 2024, RC365 Business Advisory Limited was struck off and its investment cost had been fully impaired as at 31 March 2024.

On 15 May 2024, pursuant to the convertible loan note agreement, further 5,357,143 shares of the Company were issued and allotted at £0.01 each to the Subscriber.

On 22 July 2024, a money lender license was granted to the Group through the acquisition of the entire issued share capital of its wholly owned subsidiary, HC Capital Group Limited, for a cash consideration of approximately HK\$230,000. HC Capital Group Limited is licenced and regulated in Hong Kong under the Money Lenders Ordinance (Chapter 162).

On 26 June 2024, pursuant to the convertible loan note agreement, further 4,507,211 shares of the Company were issued and allotted at £0.01 each to the Subscriber.



This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@lse.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

FR SEDFWUELSEDW