

**BANG HK LIMITED**

**2024**

**REPORT(S) AND ACCOUNTS**



**陳李羅會計師事務所有限公司**  
**Chan, Li, Law CPA Limited**

香港執業會計師

CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)  
HONG KONG

**BANG HK LIMITED  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**BANG HK LIMITED**  
**REPORT OF THE SOLE DIRECTOR**

The sole director submits his annual report together with the audited financial statements for the year ended 31 March 2024.

**PRINCIPAL PLACE OF BUSINESS**

Bang HK Limited (the "Company") was incorporated and domiciled in Hong Kong and has its registered office at Unit 1009, 10/F., Chinachem Golden Plaza, 77 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong and principal places of business in India.

**PRINCIPAL ACTIVITIES**

The principal activities of the Company during the year were the trading of textile piece goods and cotton fabrics and investment holding. The principal activities and other particulars of the Company's subsidiary are set out in note 9 to the financial statements.

**RESULTS AND DIVIDENDS**

The financial performance and cash flows of the Company for the year ended 31 March 2024 and the financial position of the Company at that date are set out in the financial statements on pages 6 to 22.

The sole director does not recommend the payment of a dividend in respect of the year ended 31 March 2024.

**SHARE CAPITAL**

Details of share capital of the Company are set out in note 10 to the financial statements. There were no movements in share capital during the year.

**DIRECTOR**

The sole director who held office during the financial year was :-

Mr. BANG Brijgopal Balaram

There being no provision in the Company's articles of association for the retirement of director by rotation, the sole director shall continue in office.

### **DIRECTOR'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No transactions, arrangements or contracts of significance to which the Company, or any of its holding company, subsidiary or fellow subsidiaries was a party, and in which the director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### **DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

At no time during the year was the Company, or any of its holding company, subsidiary or fellow subsidiaries a party to any arrangement to enable the director of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### **MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

### **BUSINESS REVIEW**


No business review is presented for the year as the Company has been able to claim an exemption under section 388(3) of the Hong Kong Companies Ordinance since it falls within the reporting exemption.

### **PERMITTED INDEMNITY PROVISIONS**

No permitted indemnity provision for the benefit of the director of the Company is currently in force and was in force throughout the year.

### **AUDITORS**

The financial statements were audited by Chan, Li, Law CPA Limited, Certified Public Accountants (Practising), which retires and, being eligible, offers itself for re-appointment.



**Bang Brijgopal Balaram**

Sole director

Hong Kong, - 2 MAY 2024





*Chan, Li, Law CPA Limited*  
*Certified Public Accountants (Practising)*  
陳李羅會計師事務所有限公司

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF BANG HK LIMITED  
(incorporated in Hong Kong with limited liability)**

***Opinion***

We have audited the financial statements of Bang HK Limited (the "Company") set out on pages 6 to 22, which comprise the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of the financial performance and cash flows of the Company for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

***Basis for Opinion***

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Information Other than the Financial Statements and Auditor's Report Thereon***

The sole director is responsible for the other information. The other information comprises all the information included in the director's report set out on pages 1 and 2, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





***Responsibilities of the Director for the Financial Statements***

The sole director is responsible for the preparation of the financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the sole director is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the sole director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The sole director is responsible for overseeing the Company’s financial reporting process.

***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :-

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the sole director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the sole director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chan, Li, Law CPA Limited  
Certified Public Accountants (Practising)  
Hong Kong, - 2 MAY 2024

Kwok Wai Choi Eddie  
Practising Certificate No.: P05451

**BANG HK LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
*(Expressed in Hong Kong dollars)*

	<u>Note</u>	<u>2024</u> HK\$	<u>2023</u> HK\$
<b>Turnover</b>	3	-	-
Other income		208	26,605
Operating expenses		(27,016)	(224,883)
<b>Loss from operations</b>	5	<u>(26,808)</u>	<u>(198,278)</u>
Finance costs	6	(4)	(3)
<b>Loss before tax</b>		<u>(26,812)</u>	<u>(198,281)</u>
Income tax	7(a)	-	-
<b>Loss for the year</b>		<u>(26,812)</u>	<u>(198,281)</u>
<b>Other comprehensive expense for the year</b>		-	-
<b>Total comprehensive expense for the year</b>		<u><u>(26,812)</u></u>	<u><u>(198,281)</u></u>

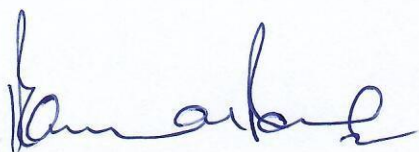
The notes on pages 10 to 22 form part of these financial statements.



**BANG HK LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2024**  
*(Expressed in Hong Kong dollars)*

	<u>Note</u>	<u>2024</u> HK\$	<u>2023</u> HK\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Interest in a subsidiary	9	-	-
Property, plant and equipment	8	-	-
		-----	-----
		-	-
		-----	-----
<b>Current assets</b>			
Cash at bank		19,322	47,637
Tax recoverable	7(c)	503	-
		-----	-----
		19,825	47,637
<b>Current liability</b>			
Accruals		(8,100)	(9,100)
		-----	-----
		11,725	38,537
<b>Net current assets</b>			
		-----	-----
		11,725	38,537
<b>NET ASSETS</b>			
		=====	=====
		11,725	38,537
		=====	=====
<b>CAPITAL AND RESERVES</b>			
Share capital	10	245,000	245,000
Accumulated losses		(233,275)	(206,463)
		-----	-----
		11,725	38,537
		=====	=====

Approved and authorised for issue by the sole director on - 2 MAY 2024



Bang Brijgopal Balaram  
Sole director

The notes on pages 10 to 22 form part of these financial statements.

**BANG HK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
*(Expressed in Hong Kong dollars)*

	<u>Share capital</u> HK\$	<u>Accumulated losses</u> HK\$	<u>Total</u> HK\$
Balance at 1 April 2022	245,000	(8,182)	236,818
Total comprehensive expense for the year ended 31 March 2023	-	(198,281)	(198,281)
Balance at 31 March 2023	<u>245,000</u>	<u>(206,463)</u>	<u>38,537</u>
Total comprehensive expense for the year ended 31 March 2024	-	(26,812)	(26,812)
Balance at 31 March 2024	<u><u>245,000</u></u>	<u><u>(233,275)</u></u>	<u><u>11,725</u></u>

The notes on pages 10 to 22 form part of these financial statements.



**BANG HK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
*(Expressed in Hong Kong dollars)*

	<u>2024</u> HK\$	<u>2023</u> HK\$
<b>Cash flows from operating activities</b>		
Loss before tax	(26,812)	(198,281)
Adjustment for :-		
Impairment loss on amount due from a subsidiary	-	204,456
Bank interest income	(208)	(74)
<b>Operating (loss)/profit before changes in working capital</b>	<u>(27,020)</u>	<u>6,101</u>
Decrease in receipt in advance	-	(26,531)
Decrease in accruals	(1,000)	-
<b>Net cash used in operations</b>	<u>(28,020)</u>	<u>(20,430)</u>
Hong Kong profits tax paid	(503)	-
<b>Net cash used in operating activities</b>	<u>(28,523)</u>	<u>(20,430)</u>
<b>Cash flow from investing activity</b>	-----	-----
Bank interest income	208	74
<b>Net cash generated from investing activity</b>	<u>208</u>	<u>74</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(28,315)</u>	<u>(20,356)</u>
<b>Cash and cash equivalents at the beginning of the year</b>	47,637	67,993
<b>Cash and cash equivalents at the end of the year</b>	<u>19,322</u>	<u>47,637</u>
<b>Analysis of the balance of cash and cash equivalents</b>	=====	=====
Cash at bank	<u>19,322</u>	<u>47,637</u>

The notes on pages 10 to 22 form part of these financial statements.

**BANG HK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2024**  
*(Expressed in Hong Kong dollars)*

**1. CORPORATE INFORMATION**

Bang HK Limited (the “Company”) is a private limited company incorporated and domiciled in Hong Kong and has its registered office at Unit 1009, 10/F., Chinachem Golden Plaza, 77 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong and principal place of business in India. The principal activities of the Company during the year were the trading of textile piece goods and cotton fabrics and investment holding. The principal activities and other particulars of the subsidiary are set out in note 9 to the financial statements.

**2. MATERIAL ACCOUNTING POLICIES**

(a) Statement of compliance

For the purposes of compliance with sections 379 and 380 of the Hong Kong Companies Ordinance, these financial statements have been prepared to present a true and fair view of the financial position and financial performance of the Company only. Consequently, these financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance.

As the Company is a wholly owned subsidiary of another body corporate, it satisfies the exemption criteria set out in section 379(3)(a) of the Hong Kong Companies Ordinance, and is therefore not required to prepare consolidated financial statements.

Given the above, these financial statements are not prepared for the purposes of compliance with HKFRS 10, Consolidated Financial Statements, so far as the preparation of consolidated financial statements is concerned. As a consequence, the financial statements do not give all the information required by HKFRS 10 about the economic activities of the group of which the Company is the parent.

(b) Basis of preparation of financial statement

The measurement basis used in the preparation of the financial statements is the historical cost basis.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### (b) Basis of preparation of financial statement (continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

No judgements have been made by management in the application of HKFRSs that have significant effect on the financial statements.

### (c) Changes in accounting policies and disclosures

#### (i) New and amended HKFRSs

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Company. None of these impact on the accounting policies of the Company.

The Company has not applied any new or amended standards which are not yet effective for the current accounting period.

#### (ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022 the Hong Kong SAR Government (the “Government”) gazette the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “Amendment Ordinance”), which will come into effect from 1 May 2025 (the “Transition Date”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“MPF”) scheme to reduce the long service payment (“LSP”) in respect of an employee’s service from the Transition Date (the abolition of the “offsetting mechanism”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### (c) Changes in accounting policies and disclosures (continued)

#### (ii) New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism (continued)

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

However, applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made; instead these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit.

The Company ceased of applying the practical expedient in paragraph 93(b) of HKAS 19 in conjunction with the enactment of the Amendment Ordinance. However, the directors consider the change in accounting policy do not have any impact on the financial position of the Company.

### (d) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)), unless it is classified as held for sale.

### (e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have been within three months of maturity at acquisition.

For the purpose of statement of cash flows, bank overdrafts, if any, that are repayable on demand and form an integral part of the Company’s cash management are also included as a component of cash and cash equivalents. Cash and cash equivalents are assessed for expected credit losses in accordance with the policy set out in note 2(k)(i).



**2. MATERIAL ACCOUNTING POLICIES (continued)****(f) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(k)(ii)).

The cost of an asset comprises its purchase price and any cost directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Gain or loss arising from the retirement or disposal of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives at annual rate of 20%.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

**(g) Receivables**

Receivables are recognised when the Company's right to consideration is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(k)(i)).

**(h) Payables**

Payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

**(i) Related parties**

(a) A person, or a close member of that person's family, is related to the Company if that person :-

- (i) has control or joint control over the Company ;
- (ii) has significant influence over the Company ; or
- (iii) is a member of the key management personnel of the Company or the Company's parent.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### (i) Related parties (continued)

(b) An entity is related to the Company if any of the following conditions applies :-

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (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) Both entities 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 Company or an entity related to the Company.
- (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 Company of which it is a part, provides key management personnel services to the Company or to the Company's parent.

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

### (j) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### (j) Income tax (continued)

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences
- temporary differences related to investment in subsidiaries, associates and joint venture to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Company recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Deferred tax assets and liabilities are offset only if certain criteria are met.

### (k) Credit losses and impairment of assets

#### (i) Credit losses from financial instruments

The Company recognises a loss allowance for expected credit losses (“ECLs”) on financial assets measured at amortised cost (including other receivables and cash and cash equivalents).

#### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts, discounted at an approximation to the assets’ original effective interest rate, where the effect of discounting is material.



**2. MATERIAL ACCOUNTING POLICIES (continued)****(k) Credit losses and impairment of assets (continued)****(i) Credit losses from financial instruments (continued)**

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date; and (2) lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-months ECLs: (1) financial instruments that are determined to have low credit risk at the reporting date; and (2) other financial instruments for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

**Significant increases in credit risk**

When determining whether the credit risk of a financial instrument has increased significantly since initial recognition and when measuring ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when: (i) the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Company recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

**Credit-impaired financial assets**

At each reporting date, the Company assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### (k) Credit losses and impairment of assets (continued)

#### (i) Credit losses from financial instruments (continued)

##### Write-off policy

The gross carrying amount of a financial asset and lease receivable is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

#### (ii) Impairment of other non-current assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other non-financial assets, an impairment loss is reversed only to the extent that the resulting 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. MATERIAL ACCOUNTING POLICIES (continued)

### (l) Provisions and contingent liabilities

Provision are recognised when there is a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed regularly and adjusted to reflect the current best estimate. Where the time value of money is material, provision are the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

### (m) Translation of foreign currencies

Translations in foreign currencies are translated into the respective functional currencies at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date into functional currency. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised directly in other comprehensive income.

### (n) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably. Revenue on interest income is recognised on a time apportionment basis on the principal outstanding and at the rate applicable.



**3. TURNOVER**

There was no turnover during the current and preceding years.

**4. DIRECTOR'S EMOLUMENTS**

No director's emoluments required to be disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation was incurred for the current and preceding years.

**5. LOSS FROM OPERATIONS**

	<u>2024</u> HK\$	<u>2023</u> HK\$
Loss from operations is arrived at after charging :-		
Auditor's remuneration	3,920	3,920
Exchange loss, net	314	180
Impairment loss on amount due from a subsidiary	-	204,456
	=====	=====
and after crediting :-		
Bank interest income	208	74
	=====	=====

**6. FINANCE COSTS**

	<u>2024</u> HK\$	<u>2023</u> HK\$
Bank overdraft interest	4	3
	=====	=====

**7. INCOME TAX**

(a) Income tax in the income statement represents :-

	<u>2024</u> HK\$	<u>2023</u> HK\$
Provision for Hong Kong profits tax at 16.5% on the estimated assessable profits for the year	-	1,007
Less: one-off reduction of 100% of profits tax for 2023/24, subject to a ceiling of HK\$6,000	-	(1,007)
	-----	-----
Actual tax expenses for the year	-----	-----

## 7. INCOME TAX

- (b) Reconciliation between actual tax expense and accounting loss at applicable tax rate is as follows :-

	<u>2024</u> HK\$	<u>2023</u> HK\$
Loss before tax	(26,812)	(198,281)
Notional tax on loss before tax calculated at Hong Kong tax rate of 16.5%	(4,424)	(32,716)
Tax effect of :-		
- non-taxable income	(34)	(12)
- non-deductible expenses	-	33,735
- tax loss disallowed	4,458	-
Less: one-off reduction of 100% of profits tax for 2023/24, subject to a ceiling of HK\$3,000 (2022/23: HK\$6,000)	-	(1,007)
Actual tax expense for the year	-	-

- (c) Tax recoverable in the statement of financial position represents :-

	<u>2024</u> HK\$	<u>2023</u> HK\$
Provisional profits tax paid	(503)	-

- (d) At the end of each reporting period, no deferred tax has been provided for in the financial statements as the Company did not have any significant temporary differences which gave rise to a deferred tax asset or liability.

## 8. PROPERTY, PLANT AND EQUIPMENT

	<u>Office equipment</u> HK\$
Cost :-	
At 1 April 2022, at 31 March 2023 and at 31 March 2024	17,476
Accumulated depreciation :-	
At 1 April 2022, at 31 March 2023 and at 31 March 2024	(17,476)
Net book value :-	
At 31 March 2024	-
At 31 March 2023	-



**9. INTEREST IN A SUBSIDIARY**

	<u>2024</u> HK\$	<u>2023</u> HK\$
Unlisted share, at cost	-	-
	=====	=====

Details of the subsidiary as at 31 March 2024 were as follows :-

<u>Name of company</u>	<u>Country of incorporation</u>	<u>Description of shares held</u>	<u>Percentage held</u>		<u>Principal activities</u>
			<u>2024</u>	<u>2023</u>	
戈飛紡織品（上海）有限公司	The People's Republic of China ("PRC")	Paid-up capital	100%	100%	Manufacturing and trading of garment

戈飛紡織品（上海）有限公司 was incorporated in the PRC as a foreign equity enterprise on 9 August 2013 with a registered capital of RMB1,000,000. As at 31 March 2024, no capital was paid up by the Company.

Consolidated financial statements have not been prepared as the Company is a wholly-owned subsidiary of Bang Overseas Limited, which prepares consolidated financial statements in accordance with accounting standards other than HKFRSs or International Financial Reporting Standards.

**10. SHARE CAPITAL**

	<u>2024</u> HK\$	<u>2023</u> HK\$
Issued and fully paid :-		
245,000 ordinary shares with no par value	245,000	245,000
	=====	=====

**11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company is exposed to various kinds of risks in its operation and financial instruments. In general, the Company is exposed to credit and interest rate risks and its principal financial instruments are bank balances, trade and other receivables and payables and amount due from a subsidiary which arise directly from its business operations and activities. The Company has no written risk management policies and guidelines and its risk management objectives mainly focus on minimising the potential adverse effects of these risks on the Company by closely monitoring and limiting the individual risk exposure.

**12. CAPITAL MANAGEMENT**

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to owners of parent, comprising share capital and retained earnings. The Company has no written capital risk management policies and guidelines and the Company manages its capital mainly to ensure the Company will be able to continue as a going concern, so that it can maximise the return to shareholder through the optimisation of the debt and equity balance. The Company's overall strategy has remained unchanged from 2023.

**13. IMMEDIATE AND ULTIMATE CONTROLLING PARTY**

The sole director considers the immediate and ultimate controlling party of the Company to be Bang Overseas Limited, which was incorporated in India.